

PENRICE SODA HOLDINGS LIMITED

Media Release

30 October 2007

PENRICE WINS MAJOR REVENUE BOOST WITH SUPPLY CONTRACT FOR WINDIMURRA VANADIUM PROJECT

Penrice Soda Holdings Limited (ASX: "PSH") is in the final stages of negotiations for a long-term supply contract with Windimurra Vanadium Pty Ltd ("WVPL") for the Windimurra vanadium project in Western Australia.

The contract will see Penrice - Australia's sole manufacturer of soda ash - supply the Windimurra project with soda ash as a key component in the process of extracting vanadium from its main host source, magnetite ore.

The initial agreement is for five years, starting in the final quarter of the 2008 calendar year when the Windimurra project is scheduled to commence production. Both parties have the option to extend the soda ash supply contract for an additional five years.

"This is a significant supply contract for Penrice and is expected to generate additional revenue of around \$10 million per year for the Company," Penrice's Managing Director & Chief Executive Officer, Mr Guy Roberts, said today.

"That means potentially a \$100 million contract for the Company if both WVPL and Penrice agree for the supply contract to run for the full 10-year term," he said.

"The Windimurra project is a significant new development on the Australian resources front with one of the largest proven vanadium reserves in the world and the potential to be one of the lowest cost producers in the world.

"It will be a long-life operation and Penrice looks forward to a long-term supply association with the project's owners."

BIGGEST MINING INDUSTRY CONTRACT

The new contract is by far Penrice's biggest soda ash supply contract to the mining industry and builds on the Company's increasing presence in the Australian resources sector.

It follows the announcement earlier this year of a contract to supply soda ash to Compass Mining, a subsidiary of ASX listed Compass Resources, for the mining group's nickel-cobalt operations being developed in the Northern Territory.

Soda ash is used as a precipitant in the recovery of cobalt and nickel in the mine treatment process.

“SUCCESSFUL DIVERSIFICATION”

Mr Roberts said the Windimurra supply contract represented another very successful diversification for Penrice away from its reliance on traditional soda ash sales to the glass industry.

“While our soda ash contracts with Australia’s major glass manufacturers remain the backbone of our annual revenue source, the Windimurra project is set to emerge as one of our top five annual sales contracts,” he said.

“We look forward to further success in the resources sector and the Company already is negotiating for additional soda ash sales to mining projects in WA and Queensland.”

WINDIMURRA VANADIUM PROJECT

The Windimurra Vanadium Mine, located 600km north east of Perth, is based on one of the largest proven vanadium reserves in the world. Global demand for vanadium is expanding, driven by growth in steel consumption, increasing intensity of vanadium use in developing economies and expanding use of vanadium-titanium alloy in aerospace applications.

The Windimurra Project will be one of the world’s lowest cost vanadium producers. Production is expected to commence in the second half of 2008. The mine is expected to produce 6,400 tonnes per annum of ferrovandium, which will represent approximately 7% of the world demand.

The vanadium in the magnetite ore will be converted into a water-soluble vanadium compound when the magnetite mineral is mixed with a sodium flux and heated in a calcining kiln. Soda ash is the preferred flux in the vanadium extraction plant at Windimurra

Media contacts:

Guy Roberts
Managing Director &
Chief Executive Officer
Penrice Soda Holdings
0412 958 040
08-8402 7000

John Field
Field Public Relations
0418 819 527
08-8234 9555