

New industrial project for the Burrup Peninsula

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Burrup Holdings Pty Ltd (BHPL) has announced its intention to establish a new joint venture with Yara International, Burrup Nitrates Joint Venture, to build a c. 350,000 tpa technical ammonium nitrate plant (TAN) on the Burrup Peninsula in the north west of Western Australia.

Subject to final engineering studies, statutory and finance approvals the parties envisage a total investment c. \$500 - 600 million will be required to establish the plant at that location. Production is scheduled to commence during the fiscal year of 2011.

The new plant will be built adjacent to the BHPL-owned Burrup Fertilisers ammonia facility, which has been operating successfully since its commissioning in April 2006. The location will enable the new venture to benefit from competitive feedstock prices and the use of existing infrastructure on the Burrup Peninsula.

BHPL Chairman and Managing Director, Pankaj Oswal, said the new plant's close proximity to major mining operations in the Pilbara region, together with the adjacent ammonia supply, gave Burrup Nitrates a strong competitive advantage in serving its customers.

Mr Oswal said that, following a pre-feasibility study in October 2007, a comprehensive Front End Engineering Design study is underway which will incorporate the latest developments in the safe, efficient design and operation of ammonium nitrate plants.

Under the terms of a memorandum of understanding between BHPL and Yara International in relation to the Burrup Nitrates Joint Venture, Yara will guarantee a minimum selling price for the ammonium nitrate and BHPL has minimal exposure to any construction cost overruns for the TAN plant.

BHPL is currently owned 70% by Pankaj Oswal and 30% by Yara International. The company's primary asset is its 100% ownership of Burrup Fertilisers Pty Ltd, which operates one of the world's largest producing single train ammonia plants and is currently manufacturing an estimated 4% of the world's production of merchant ammonia.