

## **Burrup Holdings launches second largest float since RAMS**

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The global credit crunch that forced Indian businessman Pankaj Oswal to cut the asking price for his Ammonia plant operator Burrup Holdings has left him at least \$23 million out of pocket on the launch of his company's initial public offer.

Market analysts had predicted Mr Oswal would earn \$450 million from a predicted \$600 million float – with UBS marketing Burrup shares to institutional investors at between \$2.30 and \$2.80 in February.

But volatile market conditions forced him to delay the float earlier this year when the company failed to attract what Mr Oswal called "the right price" for the ammonia production plant, which he says is the only one in Australia.

The maximum Mr Oswal can earn under the current plan is \$426.7 million.

The reduced anticipated earning could threaten Mr Oswal's plans to build a Taj-Mahal lookalike mansion at the heart of Peppermint Grove, a move which has gained the attention of Perth's well-heeled western suburbs residents.

The Burrup Holdings IPO is expected to raise between \$390 million and \$502 million through the sale of 223.1 million shares, based on the indicative price range of \$1.75 to \$2.25.

The offer comprises a sell down of shares by Mr Oswal, who is selling 17 per cent of his stake, and Oslo Stock Exchange-listed Yara International, which will reduce its 30 per cent stake to 27 per cent.

Mr Oswal's Burrup Trust will retain 53 per cent of the company after the offer, with Yara to hold 27 per cent and new shareholders the remaining 20 per cent.

The company has a 20 year offtake and marketing agreement with Yara, with the companies also entering into an agreement to conduct a feasibility study into the construction of a 350,000 tonnes

per year technical ammonium nitrate plant, also on the Burrup Peninsula.

"The IPO will position Burrup to take advantage of its considerable growth opportunities and utilise its extensive skills in downstream industry to create further shareholder value," said Mr Oswal, who is also Burrup's managing director.

The company accounts for about four per cent of the total world output of tradable ammonia and has forecast production of more than 800,000 tonnes in fiscal 2009.

Burrup is assessing plans for the full utilisation of the available gas, including putting it into the technical ammonium nitrate plant being considered for development.

In an announcement, the company said it aimed to broaden the its shareholder base and provide a liquid market for its shares.

The retail offer will open on May 27 and close on June 13, the same dates for a priority offer for employees and other company associates.

An institutional offer will be conducted via a bookbuild, and will open on June 16 and close on June 17.

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