



28 July 2008

The Manager  
Company Announcements Office  
Australian Securities Exchange  
Level 45, South Tower  
Rialto  
525 Collins Street  
MELBOURNE VIC 3000

Office of the Company Secretary

Incitec Pivot Limited  
ABN 42 004 080 264  
70 Southbank Boulevard  
Southbank Victoria 3006  
GPO Box 1322  
Melbourne Victoria 3001  
Tel: (61 3) 8695 4400  
Fax: (61 3) 8695 4419  
[www.incitecpivot.com.au](http://www.incitecpivot.com.au)

Dear Sir or Madam

**Electronic Lodgement**

**Moranbah AN Complex**

In accordance with the listing rules, I attach a copy of an ASX Announcement for release to the market.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Kerry Gleeson', with a long horizontal flourish extending to the right.

**Kerry Gleeson**  
**Company Secretary**

Attach.



Incitec Pivot Limited  
ABN 42 004 080 264  
70 Southbank Boulevard  
Southbank Victoria 3006  
GPO Box 1322  
Melbourne Victoria 3001  
Tel: (61 3) 8695 4400  
Fax: (61 3) 8695 4419  
[www.incitecpivot.com.au](http://www.incitecpivot.com.au)

## **ASX ANNOUNCEMENT – 28 July 2008**

### **Moranbah AN Complex**

Incitec Pivot Limited (ASX: **IPL**) today approved the construction of an ammonium nitrate (AN) manufacturing complex at Moranbah in Central Queensland at a cost of A\$935 million.

The Moranbah project involves the construction of a 330,000 tonnes-a-year fully-integrated AN complex comprising ammonia, nitric acid and ammonium nitrate plants plus infrastructure, utilities, power generation and housing to support the permanent workforce.

Incitec Pivot, through its wholly owned subsidiary, Dyno Nobel Moranbah, today signed a Project Agreement with United Group Resources Pty Ltd, Bilfinger Berger Services (Australia) Pty Ltd and BCG Contracting Pty Ltd. The Project Agreement is based on a cost reimbursable model incorporating a risk reward regime to ensure best project outcomes. It also has a signed 15-year coal seam methane supply agreement with Arrow Energy Limited.

Mechanical completion is targeted for the first quarter of Calendar 2010 and beneficial operation for the first quarter of Calendar 2011. The project has the support of long-term contractual commitments from three foundation mining company customers for about half of planned output.

Incitec Pivot Managing Director & CEO, Julian Segal, said the project would exceed the Company's financial criteria of 15% internal rate of return and delivers an 18% return on net assets in the fourth year of operation.

"This investment will expand Incitec Pivot's core nitrogen manufacturing capability based on a world scale manufacturing plant at the bottom of the cost curve in its market and builds a strong position in the eastern Australian commercial explosives market," he said.

"The project is based in the heart of Australia's largest metallurgical coal region and adjacent to some of the largest coal mines in the world providing a substantial freight advantage over alternative domestic suppliers. Many new coal projects and brownfield expansions are proposed for development in the region over the next few years.

"Additionally, we have the advantage of the gas supply agreement which was negotiated prior to escalating world energy prices."

The project was abandoned by Dyno Nobel in December 2007.

Mr Segal said that following the acquisition of Dyno Nobel, Incitec Pivot had followed a rigorous assessment process and had put in place a Project Risk Management Plan including cost and schedule benchmarking to assist robust financial evaluation of the project.

“We have been working with the Project Agreement contractors to assess the viability of the project at Moranbah. In parallel, Incitec Pivot began an independent project assessment with the assistance of international engineering and project delivery company, Uhde Shedden, and Independent Project Analysis, a global project benchmarking company.

“Incitec Pivot’s executive management is accountable for the delivery of this project and is leading the project team bringing together related cross-business activities critical to the success of the project.”

**Kerry Gleeson**  
**Company Secretary**

Investor contact:  
Simon Atkinson  
Telephone: 03 8695 4555  
Mobile: 0405 513 768

Media contact:  
Stewart Murrihy  
Telephone: 03 8695 4582  
Mobile: 0418 121 064