

February 3, 2011

**Statement by Managing Director & CEO, James Fazzino, on the impact of Cyclone Yasi on operations in North Queensland**

Cyclone Yasi has impacted Incitec Pivot Limited (IPL) fertiliser production and distribution in North Queensland, IPL Managing Director and CEO, James Fazzino said today.

IPL operations in North Queensland comprise the Phosphate Hill fertiliser plant, the Mt Isa acid plant, fertiliser distribution centres in Cairns, Townsville and Mackay and export fertiliser port operations at Townsville.

"I'm pleased and relieved to say that we have contacted almost all employees in North Queensland and they and their families are safe," he said.

He praised the IPL management teams in North Queensland for acting quickly to provide for the safety of employees. "We suspended or reduced operations to allow employees to be with their families, make appropriate preparations or evacuate away from the path of the cyclone where necessary," he said.

Mr Fazzino said that operations at Phosphate Hill and Mt Isa plants had been operating at reduced rates over the past two days and had today temporarily suspended production.

"Assuming a return to normal conditions and availability of our people, it is expected that the plant will return to full production early next week. It is estimated that production of fertiliser from Phosphate Hill has been impacted by the equivalent of five days of lost production."

Mr Fazzino said that additionally, all operations on the coast at Cairns, Townsville and Mackay were suspended last Tuesday.

"Assuming minimal damage to port facilities and no loss of access to rail, distribution and port operations would ramp up quickly," he said.

Mr Fazzino said that there could also be an impact on the Dyno Nobel Asia Pacific explosives business as a result of any disruption to mining activities in Central Queensland resulting from rain associated with the cyclone.

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