



25 July 2008

Mr Darren Collins
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Dear Mr Collins

Change of Director's Interest Notice

I refer to your letter dated 22 July 2008, which requested information in relation to lodgement of an Appendix 3Y — Change of Director's Interest Notice by Incitec Pivot Limited ("**IPL**") with ASX on Friday, 18 July 2008 ("**Appendix 3Y**"), and respond as follows:

- 1 The Appendix 3Y related to the purchase of 5 fully paid ordinary IPL shares ("**Shares**") on behalf of Mr James Fazzino, IPL's Finance Director & Chief Financial Officer, under IPL's Employee Share Ownership Plan ("**ESOP**"). In accordance with the terms of the ESOP,¹ contracts for the purchase of the Shares on behalf of ESOP participants (including Mr Fazzino) were settled, and Shares were allotted to individual ESOP participants.

IPL's share registry, Link Market Services Limited ("**Link**"), dispatched written statements to ESOP participants (including Mr Fazzino) confirming the allotment of the Shares under the ESOP ("**Member Statements**"). On Thursday, 17 July 2008, Mr Fazzino received a Member Statement at his home address recording that the allotment of 5 Shares to him had occurred on Monday, 7 July 2008. Mr Fazzino informed the office of the Company Secretary on the immediately following business day so that an Appendix 3Y could be lodged without delay.

Subsequently, Link has confirmed with IPL that the allotment of Shares to ESOP participants (including Mr Fazzino) occurred on **Friday, 11 July 2008**, not Monday, 7 July 2008. Therefore, the lodgement of the Appendix 3Y on Friday, 18 July 2008 occurred within 5 Business Days after the allotment of the Shares to Mr Fazzino in accordance with Listing Rule 3.19A.2. For the avoidance of doubt, an updated Appendix 3Y in respect of the Shares issued to Mr Fazzino (including the correct date of allotment, Friday, 18 July 2008) is attached to this letter for immediate release to the market.

¹ Further information in connection with IPL's ESOP is set out on page 94 of IPL's 2007 Annual Report dated 20 November 2007, which is available on IPL's website (www.incitecpivot.com.au).

2 IPL has various arrangements in place to ensure that it is able to meet its disclosure obligations under Listing Rule 3, including Listing Rule 3.19A, as follows:

- (a) a Share Trading Policy;
- (b) a Continuous Disclosure Policy; and
- (c) a Code of Conduct – for Directors and Senior Management.

In particular, under the terms of IPL's Share Trading Policy, each IPL director must give prior notice to the Company Secretary of his or her intention to deal in IPL shares. Additional information in relation to, and copies of, these policies are publicly available on IPL's website (www.incitecpivot.com.au) and are provided to IPL's directors. Further, on appointment, each Director enters into an agreement with IPL under which he or she is obliged to provide the necessary information to IPL to ensure compliance with Listing Rule 3.19A.

It is noted that Mr Fazzino immediately informed the office of the Company Secretary on becoming aware of the allocation of the Shares to him under the ESOP.

3 IPL believes that its policies and codes of conduct are adequate and are being fully enforced. Additionally, IPL has requested Link to provide immediate and direct confirmation to the Company Secretary of the allocation of, or any dealings with, Shares under the ESOP to ensure continued compliance with Listing Rule 3.19A.

Yours sincerely



Kerry Gleeson
Company Secretary



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Mrs Kerry Gleeson
Company Secretary
Incitec Pivot Limited
70 Southbank Boulevard
Southbank VIC 3006

22 July 2008

By e-mail only

Dear Kerry

Incitec Pivot Limited (the "Company") Appendix 3Y – Change of Director's Interest Notice

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 18 July 2008, for Mr James Fazzino.
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listing rules 3.19A and 3.19B.

As the Appendix 3Y indicate that a change in director's relevant interests occurred on 7 July 2008, it appears that the Director's Notice should have been lodged with ASX by 14 July 2008. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by return e-mail or by facsimile on facsimile number (03) 9614 0303. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.S.T.) on Friday, 25 July 2008.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

Darren Collins
Senior Adviser, Issuers