Information Memorandum

Incitec Fertilizers Limited
(ABN 56 103 709 155)

$55,000,000
Redeemable Preference Share Issue

Guarantor
Orica Limited
(ACN 004 145 868)

Arranger
Westpac Institutional Bank, a division of Westpac Banking Corporation
(ABN 33 007 457 141)

Underwriter
Westpac Securities Limited
(ABN 39 087 924 221)

Date: 5 May 2003

Important Notices

No person is authorised to give any information or to make any representation in connection with Incitec Fertilizers Limited (**IFL**), the proposed listing of IFL and official quotation of IFL redeemable preference shares (**RPS**) on the Stock Exchange of Newcastle Limited (**NSX**), which is not contained in this Information Memorandum. Any information or representation not so contained may not be relied on as having been authorised by IFL.

Westpac Institutional Bank, a division of Westpac Banking Corporation (**Arranger**), and Westpac Securities Limited (**Underwriter**) and their respective employees, officers and agents, make no express or implied representation or warranty as to, and assume no responsibility for, the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions from, any information, statement or opinion contained in this Information Memorandum or in any accompanying, previous or subsequent material or presentation. The only role of the Arranger and Underwriter in the preparation of this Information Memorandum has been to confirm to IFL that the information as to their identity and their respective descriptions in the Directory are accurate as at 5 May 2003.

Neither the Arranger nor Underwriter are liable in any way for any misstatement in or omission from this Information Memorandum, except as required by law and then only to that extent.

Purpose of Information Memorandum

This Information Memorandum is dated 5 May 2003. It has been prepared by IFL in connection with the proposed listing of IFL and official quotation of RPS on NSX. This document is not a prospectus lodged with or registered by the Australian Securities & Investments Commission (**ASIC**) under Part 6D.2 of the Corporations Act.

Application for Listing

IFL intends to apply within 7 days after the issue of this Information Memorandum for the listing of IFL and official quotation of the RPS on NSX. The fact that NSX may list securities of IFL is not to be taken in any way as an indication of the merits of IFL or the listed securities.

NSX takes no responsibility for the contents of this Information Memorandum, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Information Memorandum.

Explanatory Comments

A number of terms and abbreviations used in this Information Memorandum have defined meanings, which appear in the Glossary in Section 7. All financial amounts contained in this Information Memorandum are expressed in Australian currency unless otherwise stated.

Advice

Prospective investors should read this Information Memorandum in its entirety before making any decision to invest in the RPS. The information contained in this Information Memorandum is not a recommendation by IFL, the Arranger or the Underwriter that any person subscribe for RPS and does not take into account the investment objectives, financial situation or particular needs of any investor. If prospective investors have any doubt as to their course of action, they should consult their stockbroker, solicitor, accountant or other professional advisor.

No Prospectus

As no formal disclosure document (within the meaning of the Corporations Act) will be lodged with ASIC in connection with the offer of the RPS, the RPS will only be issued to investors in circumstances where the minimum subscription amount for each investor is $500,000 in aggregate.

If a person who is issued with the RPS, or any subsequent holder of the RPS, on-sells the RPS within 12 months of the date of issue of the RPS, any such sale must be for a minimum aggregate consideration of $500,000 or must otherwise be sold through an offer that does not require disclosure as outlined in section 708 of the Corporations Act. If such sale does not take place in accordance with this requirement, the sale must take place under the terms of a formal disclosure document (such as a prospectus).

No offer in certain jurisdictions

Distribution and use of this Information Memorandum, and the offer of RPS, may be restricted by law in certain jurisdictions. This Information Memorandum may not be distributed, nor may RPS be offered for sale, in the United States of America or any country in which it would be unlawful to do so.

Taxation and stamp duty

There are taxation implications for persons who acquire, hold or dispose of RPS. Those implications may change as a result of legislative changes, policy changes of the taxation authorities, or any other government action. The implications can vary depending on the nature and character of each RPS Holder. Accordingly, each intending investor should consult their own tax adviser as to the taxation implications of subscribing for, holding or disposing RPS.

Under current legislation, there should be no stamp duty payable on the issue, transfer or redemption of the RPS. The foregoing is a summary and should not be relied upon by intending investors. Each intending investor should consult their own adviser as to the stamp duty implications of subscribing for, holding or disposing RPS.

Enquiries

Any enquiries relating to this Information Memorandum, including how to obtain additional copies of this Information Memorandum, should be directed to Craig Lindner of Westpac Institutional Bank on (02) 9284 9269 during normal business hours.

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1 Details of Offer and Summary of RPS Terms

1.1 The Offer Details

Incitec Fertilizers Limited (**IFL**) is offering 11,000 Redeemable Preference Shares (**RPS**) at an Issue Price of $5,000 per RPS to raise a total of $55 million (**Offer**).

The minimum subscription amount for each investor is 100 RPS, or $500,000.

1.2 Summary terms and conditions of RPS

The following is a summary of the terms and conditions of the RPS and should be read in conjunction with the rest of this Information Memorandum. The full terms and conditions of the RPS are set out in Section 6 of this Information Memorandum (**Terms and Conditions**). To the extent that there is an inconsistency between this summary and the Terms and Conditions or the Orica Guarantee, the Terms and Conditions or the Orica Guarantee (as appropriate) prevail. A full copy of the Orica Guarantee is available on request from IFL free of charge.

Issuer	Incitec Fertilizers Limited
Guarantor	Orica Limited (**Orica**)
Ranking of Orica Guarantee	At least equally with Orica's other unsecured and unsubordinated indebtedness.
Orica Guarantee	Orica has entered into a Guarantee, Negative Pledge, Payment and Put Deed (**Orica Guarantee**) (refer to Section 5.3), which includes: • events of default; • negative pledge; • representations & warranties; • undertakings. If IFL fails to declare or declares but fails to pay a dividend, Orica must pay RPS Holders in cash the dividend amount that would have been payable by IFL within two Business Days of IFL failing to pay its dividend. Each RPS Holder can put their RPS to Orica for the Issue Price plus accrued dividend (and default interest if any) if: • an event of default occurs under the Orica Guarantee; or • any of the guarantee, indemnity and payment obligations under the Orica Guarantee are terminated for any reason or otherwise cease to be valid, binding and enforceable obligations of Orica (the right to put the RPS to Orica survives any termination of the guarantee and indemnity).
Use of funds	Repay existing debt and provide working capital.
Redemption Date	27 November 2004, at which date IFL must redeem the RPS for cash (18 month term).

Status	RPS rank after all creditors but before ordinary shareholders for return of capital or payment of Dividends on a winding up. No right to participate beyond the Issue Price. The RPS rank equally amongst themselves.
Issue Rating	BBB+ by Standard & Poor's.
Dividend	Fixed rate cumulative preferential dividend (only cumulative if Orica did not become obliged to make a payment to RPS Holders as a result of IFL's failure to pay).
Dividend Payment	Quarterly in arrears.
Franking	Dividends will be unfranked.
Issue amount	$55 million
Dividend Rate	18 month swap rate (mid) + 80 basis points. A commitment fee will be paid by the Arranger to institutional and retail investors who commit to firm stock of $500,000. The fee, which will be paid within 7 days of the Allotment Date, will result in an effective margin of 200 basis points for the 18 month term.
Issue Price	$5,000 per RPS.
Minimum Application	$500,000
Rate set	Tuesday, 27 May 2003 (10am EST).
Registrar	ASX Perpetual Registrars Limited.
Trading and Settlement	Trading to be in minimum parcels of $500,000 in first 12 months. Settlement in accordance with NSX Listing Rules (transfer and acceptance form).
Conversion	No rights of conversion to equity.
Other rights	Same rights as ordinary shareholders to receive notices, reports and to attend meetings. Right to receive Orica audited accounts upon request.
Participation	No right to participate in issues of securities to, or capital reconstructions affecting, ordinary shareholders.
Voting	RPS Holders will not be entitled to speak or to vote at general meetings of IFL except in each of the following circumstances: • if at the time of the meeting a Shortfall Amount exists; • on any resolution to approve the terms of a buy-back agreement; • on any proposal that affects the rights or privileges attaching to the RPS; • on any proposal to wind up IFL or during the winding up of IFL, in which case a RPS Holder has the same rights as to manner of attendance at general meetings in respect of each RPS as those conferred on holders of ordinary shares in IFL and each

	RPS Holder will have the following voting rights: • one vote on a show of hands; and • one vote for every dollar of the Issue Price of the RPS held by that holder on a poll.
Listing	IFL will apply for quotation of the RPS on NSX.

1.3 Important Dates

Offer opens	7 May 2003
Offer closes	5.00 pm, 21 May 2003
Allotment Date of RPS	27 May 2003
NSX trading of RPS expected to commence	28 May 2003

These dates are indicative only and are subject to change without notice. IFL reserves the right to alter any of these dates, to accept late Application Forms or application monies or to close the Offer early or cancel the Offer without notice.

1.4 Application Procedure

An application for the RPS can only be made on the Application Form attached to this Information Memorandum.

The completed Application Form must be accompanied by payment in full by cheque or bank draft in Australian dollars drawn on an Australian branch of an Australian bank. Completed Application Forms and application monies must be received by 5.00pm on Wednesday 21 May 2003. Cheques should be made payable to "Incitec Fertilizers Limited – RPS Offer" and crossed "Not Negotiable".

Please refer to the Application Form for further details on applying for RPS.

Application monies received from an applicant for RPS will, until those RPS are allotted or the application monies are refunded to applicants, be held by IFL on trust for applicants in a bank account established and kept by IFL for the purpose of depositing application monies. Application monies will be kept in escrow and will not be transferred from this bank account to IFL until the RPS have been allotted to applicants. Interest earned on application monies will be for the benefit of IFL and will be retained by IFL whether or not allotment takes place.

Applications may be scaled back, at Westpac Institutional Bank and IFL's discretion, in such manner as Westpac Institutional Bank and IFL considers is reasonable in the circumstances. Investors that apply for RPS that are subsequently not available due to a scale back will be refunded, without interest, that portion of the application monies that was provided to purchase the unavailable RPS.

1.5 NSX listing and quotation of RPS

Application will be made to NSX no later than 7 days after the date of this Information Memorandum for IFL to be admitted to the official list of NSX and for official quotation of the RPS. If quotation of the RPS is not obtained, all application monies will be refunded without interest and the Offer will not proceed.

1.6 Allotment

Allotment of the RPS will only be made once application monies have been received and NSX has granted permission for the RPS to be given official quotation. It is expected that allotment will take place on 27 May 2003 and trading of the RPS on NSX is expected to commence on 28 May 2003.

1.7 Underwriting

The Offer is entirely underwritten by Westpac Securities Limited in accordance with the terms and conditions of the Underwriting Agreement. Refer to Section 5.4 for a summary of the relevant terms and conditions of the Underwriting Agreement.

1.8 Offers that do not need a disclosure document – Section 708 of Corporations Act

Section 708 of the Corporations Act outlines the circumstances in which an issue of securities can be made without the need for a disclosure document (within the meaning of the Corporations Act). Section 708(8)(a) provides that an offer of a body's securities does not need disclosure to investors under Part 6D.2 of the Corporations Act if the minimum amount payable for the securities on acceptance of the offer by the person to whom the offer is made is at least $500,000.

If a person who is issued with the RPS, or any subsequent holder of the RPS, on-sells the RPS within 12 months of the date of issue of the RPS, any such sale must be for a minimum aggregate consideration of $500,000 or must otherwise be sold through an offer that does not require disclosure as outlined in section 708 of the Corporations Act. If such sale does not take place in accordance with this requirement, the sale must take place under the terms of a formal disclosure document (such as a prospectus).

1.9 Investor action in the event of any non-payment of dividends or principal

Under the Orica Guarantee, which is given for the express benefit of each RPS Holder, Orica has unconditionally and irrevocably guaranteed payment to each RPS Holder of the dividends and amount payable on redemption owing to that RPS Holder. If IFL does not pay amounts owing in accordance with its obligation to pay, RPS Holders do not need to take any action as Orica is automatically obliged, under the Orica Guarantee, to pay the outstanding amounts within 2 Business Days of IFL's failure to pay.

If Orica fails to pay any amount owing by it under the Orica Guarantee, RPS Holders may, by written notice, require Orica to purchase the investor's RPS for the Issue Price plus any unpaid dividends.

Refer to Section 5 of this Information Memorandum for a summary of the Orica Guarantee.

1.10 Secondary market trading of RPS – NSX affiliated brokers

Investors are advised that if they wish to have their regular broker, who is a CHESS participant, sponsor their holdings in CHESS, they must ensure that their broker is NSX affiliated prior to trading their RPS.

Brokers who are not affiliated with NSX cannot trade or settle RPS.

If your regular broker is not NSX affiliated, and you wish to trade your RPS, you can contact Westpac Broking, who is a NSX affiliated broker, to arrange for the execution of your trade. Alternatively, contact NSX directly for a list of their affiliated brokers. Westpac Broking can be contacted on 131331 (7.00am to 7.00pm Sydney time, weekdays).

2 Profile of Incitec Fertilizers Limited

2.1 Background

Incitec Ltd (**Incitec**) has been a major Australian company for over 80 years, manufacturing and trading fertilizer and agricultural and industrial chemicals. In February 2003, Incitec agreed the terms on which to merge its fertilizer business with Pivot Limited (**Pivot**), an unlisted public company which manufactures, imports and distributes fertilizer. Refer to Section 3 for a description of the Merger Proposal.

Incitec had historically held its fertilizer business (**Incitec Fertilizer Business**) in a number of corporate entities, some of which also included Incitec's industrial chemicals business. In order to facilitate the merger of the Incitec Fertilizer Business with Pivot, Incitec needed to separate its fertilizer business from its industrial chemicals business.

IFL was incorporated by Incitec in February 2003 specifically for the purpose of acquiring all of the assets used to conduct the Incitec Fertilizer Business and all of the liabilities relating to the Incitec Fertilizer Business. These were transferred to IFL with effect from 1 April 2003 pursuant to a series of asset sale agreements.

To facilitate the orderly separation of the Incitec Fertilizer Business from Incitec's industrial chemicals business, IFL and Incitec have entered into a number of product supply agreements and service agreements in respect of sites from which both companies will jointly source products and operate. Also, Incitec will provide, or cause to be provided to IFL, support services (such as information technology, human resources, finance, safety health and environment, and some engineering services) on similar terms and to the same extent as those services were provided by Orica to the Incitec Fertilizer Business immediately prior to the transfer of the Incitec Fertilizer Business to IFL.

2.2 Corporate structure and relationship with Orica

At the date of this Information Memorandum, IFL has an issued capital of 40,796,719 ordinary shares, all of which are held by Incitec. If the Merger Proposal is implemented (refer to Section 3), all the issued ordinary shares in IFL will be held by the merged entity Incitec Pivot Limited (**IPL**). Incitec will hold 70% of the issued capital in IPL. Incitec will remain a wholly owned subsidiary of Orica. Accordingly the ultimate holding company of IFL will remain as Orica.

Orica is listed on ASX and maintains a website - www.orica.com.

2.3 Use of funds

On the date IFL acquired the Incitec Fertilizer Business, it did not have access to separate banking facilities and accordingly required funding in order to operate the Incitec Fertilizer Business on a day to day basis. Incitec has provided this funding by way of intercompany loans. It is intended that these loans will be repaid on or before the date the Merger Proposal is implemented (refer to Section 3) from the proceeds of the issue of the RPS.

2.4 Business description

The Incitec Fertilizer Business has, over the past 80 years, established itself as a leading Australian fertilizer business with operations in all Australian states except Western Australia and Tasmania, and a historic focus on Queensland and northern New South Wales. Employing approximately 550 people, most of the operations are in Queensland and northern New South Wales, with smaller operations in southern New South Wales, Victoria and South Australia.

IFL markets a comprehensive range of fertilizer products to meet the nutrient needs of a variety of crops and soils. It also provides support services to a wide variety of cropping and livestock enterprises in eastern and southern Australia. Manufacturing and/or importation facilities are operated in Brisbane, Cairns, Townsville, Mackay, Newcastle, Port Kembla, Geelong, Portland and Adelaide.

IFL has a strong market share position in the Queensland and northern New South Wales markets, and a growing market share in southern New South Wales, Victoria and South Australia.

IFL is supported by major distribution and customer service facilities in all of its markets. It distributes its fertilizer products through a network of rural merchandise suppliers who provide a range of support services, including agronomic advice, to farmers.

IFL supplies fertilizer from the following sources:

- Manufacturing a number of fertilizer products (refer to table below). It purchases raw materials such as natural gas to manufacture ammonia and urea at its Brisbane plant. It also imports raw materials, such as rock phosphate, for use in the manufacture of phosphate fertilizers at its plant at Cockle Creek, Newcastle;

- Importing manufactured fertilizer products from global suppliers to ports in northern Queensland, Brisbane, Newcastle, Port Kembla, Geelong, Portland and Adelaide. These products may be sold in bulk form or bagged and blended for distribution to end users;

- Purchasing manufactured fertilizer products from other Australian suppliers, such as WMC Fertilizers Pty Ltd, Wesfarmers CSBP Limited and Impact Fertilizers Pty Ltd; and

- Products sourced from Incitec and Pivot under product swap and supply agreements.

The product range of IFL is summarised in the following table:

IFL product summary			
Product group	**Product**	**Manufactured/ Imported**	**Key uses**
Nitrogenous fertilizer	Big N (anhydrous ammonia)	Manufactured and purchased from Incitec	Grain, cotton
	Urea	Manufactured and imported	Grain, (wheat, coarse grain), rice, cotton, sugar, dairy
	Granam (ammonium sulphate)	Manufactured	Sugar, dairy, horticulture
	Nitram (ammonium nitrate)	Purchased from Incitec	Dairy, horticulture
	Calcium Ammonium Nitrate	Imported	Horticulture
Phosphate fertilizer	Single Superphosphate	Manufactured and purchased locally	Pasture (sheep, beef & dairy)
	Ammonium Phosphate	Imported and purchased locally	Broad acre cropping
	Triple Superphosphate	Imported	Broad acre cropping
Compounds	Ammonium Phosphate Sulphate	Manufactured	Wheat, coarse grain, oilseeds and cotton
Blends		Manufactured	Sugar, horticulture
Potassium fertilizer	Full range, blends	Imported	Sugar, horticulture, dairy pasture
Trace elements	Full range	Imported	All fertilizer markets

The Incitec Fertilizer Business supplied approximately 1.8 million tonnes of fertilizer in 2002. It operates the only urea manufacturing facility in Australia. Its major fertilizer manufacturing facilities are tabled below:

IFL manufacturing facilities		
Location	**Facility**	**Approximate capacity (ktpa)**
Gibson Island, Brisbane	Ammonia plant	290
	Urea plant	250
	Granulation plant	180
Kooragang Is, Newcastle	Granulation plant	90
Cockle Creek, Newcastle	Single superphosphate plant	350

2.5 Historical financial information

The pro-forma financial information presented below illustrates the historical financial performance and statement of financial position of the Incitec Fertilizer Business as a stand-alone business, and has been prepared by the senior management of IFL.

The pro-forma financial statements reflect the estimated impact of the supply agreements and fixed cost reallocations between Incitec and IFL established to facilitate the transfer of the Incitec Fertilizer Business. The statements include historical trading results and the net book value of the Incitec Fertilizer Business as at 1 April 2003 following an uplift in the value of land ($25 million) to conform with the accounting requirements of AASB 1015. Apart from the uplift in land value, the statements have been prepared prior to accounting for any potential discount on acquisition, goodwill or other fair value adjustments arising through acquisition accounting principles, and does not include the proposed issue of the RPS.

2.5.1 Financial performance

Incitec Fertilizer Business for year ended 30 September ($m)	2002	2001	2000
Sales	678.2	646.7	528.9
EBITDA	83.7	76.3	45.0
EBIT	61.0	54.3	26.1
NPAT (pre significant items)	43.0	35.5	14.2
NPAT (post significant items)	41.6	31.8	14.2

2.5.2 Financial year 2002

In volume terms, sales were approximately 1.8 million tonnes, which was a record for the business and 3.4% higher than 2001 levels.

The result was achieved notwithstanding the effects of unfavourable weather conditions, particularly in the latter stages of the year, which saw drought conditions worsen in all major crop segments. Sales to grain and cotton markets were particularly affected.

International urea prices remained low throughout the year with a period of particularly weak prices early in the calendar year. Coupled with the value of the Australian dollar, which strengthened over the course of the year, pressure remained on margins of domestically manufactured products.

2.5.3 Financial year 2001

During financial year 2001, the Incitec Fertilizer Business grew sufficiently to achieve record sales volumes in excess of 1.7 million tonnes (an increase of 6.8% compared to financial year 2000) and continued to increase market share in Victoria and South Australia whilst maintaining its market leadership position in Queensland and New South Wales. The Incitec Fertilizer Business' management attributed this sustained growth in the fertilizer business to its successful channel management strategy.

Investment in product distribution centres in Newcastle, Geelong and Portland enhanced customer service levels, lowered logistics costs and expanded the business' distribution network to service growing markets.

A number of new liquid fertilizer products sold under the names "Easy N" and "Easy Cal" were introduced into the market during the year. The products were targeted at the sugar and horticultural markets and were well accepted by end users.

2.5.4 Financial year 2000

The Incitec Fertilizer Business increased sales volumes in the 2000 financial year to achieve record sales of 1.6 million tonnes, an increase of 3.7% compared to the previous financial year. Furthermore, the business was successful in increasing market share in Victoria and South Australia, while maintaining its strong position in Queensland and New South Wales.

Total sales revenue decreased year on year, mainly as a result of prices for ammonium phosphate products contracting by more than 15% during the year.

Seasonal factors impacted the profitability of the business. The eastern seaboard states enjoyed a good season for broadcare crops such as wheat and barley, which increased demand for fertilizer, however the sugar crop was affected by variable conditions that reduced demand.

Over the course of the year the Incitec Fertilizer Business further reduced operating costs through a restructuring program which delivered a number of productivity improvements.

2.5.5 Financial position

IFL Statement of Financial Position	Pro-forma 1 April 2003 $ million
Current assets	
Receivables	58.3
Inventories	193.8
Other	6.5
Total current assets	**258.6**
Non-current assets	
Property, plant and equipment	199.9
Deferred tax assets	4.3
Other	15.4
Total non-current assets	**219.6**
TOTAL ASSETS	**478.2**
Current liabilities	
Payables	168.6
Interest bearing liabilities	6.9
Current tax liabilities	1.4
Provisions	4.2
Total current liabilities	**181.1**
Non-current liabilities	
Deferred tax liabilities	18.1
Provisions	7.3
Total non-current liabilities	**25.4**
TOTAL LIABILITIES	**206.5**
NET ASSETS	**271.7**

Notes:

- Cash has been offset against current interest bearing liabilities.

- A site presently owned by IFL is likely to be subject to future environmental remediation activities. The remediation program has not yet been determined and approved, and therefore the costs of such a program have not been recognised in the statement of financial position. The directors of IFL do not believe that the costs of the program will have a material adverse effect on IFL's ability to meet its obligations under the Terms and Conditions.

2.6 Outlook for IFL

Given the uncertain conditions facing the Australian rural industry at present, the current drought conditions in many parts of Australia and the potential range of external variables on IFL's expected financial performance, the likely range of financial outcomes may be so wide that any forecast of earnings for the financial year ending 30 September 2003 and future financial years has the potential to be more misleading than informative to potential investors. Accordingly, the directors of IFL consider that there is no reasonable basis on which to provide quantitative financial information regarding IFL other than as set out elsewhere in this Section.

2.7 Shareholdings of directors and officers

No director or officer of IFL has any relevant interest in the securities of IFL.

2.8 IFL Board

The IFL board currently comprises the following persons:

- **Anthony Larkin, FCPA, FAICD, FFTA (Hon)**
  Chairman

Anthony was appointed to the Board on 1 April 2003 and held the position of Chairman of Incitec from 1 July 2000 until 1 April 2003. Until January 2002 Anthony was Executive Director Finance of Orica. He previously held the position of Group Treasurer BHP Ltd. His 38 year career with BHP included senior finance positions in the steel and minerals businesses and various senior corporate roles. He is a Commissioner with the Victorian Essential Services Commission.

- **Greg Witcombe, BSc**
  Managing Director and Chief Executive Officer

Greg was appointed to the Board on 13 February 2003 and held the position of Managing Director of Incitec from October 1998 until 1 April 2003. Greg joined Orica in 1977 and has held several senior management positions including General Manager Polyethylene Group in 1997.

- **Barbara Gibson, BSc, FTSE**
  Director

Barbara was appointed to the Board on 1 April 2003 and has been a board member of Incitec since 20 March 1998. Barbara is also General Manager Chemicals Group with Orica and has held several senior management positions during her 17 year career with Orica. She is Deputy Chairman of Biota Holdings Limited.

- **James Hall BCom, FCPA**
  Director

James was appointed to the Board on 1 April 2003 and has been a board member of Incitec since 1 March 2002. James is also Executive Director Finance, Orica and a director of other entities associated with Orica.

- **Greg Harvey, BA, LLB**
  Director

Greg was appointed to the Board on 1 April 2003. He previously held the office of director of Incitec from 15 October 1999 until 1 April 2003. Greg is currently Chairman of the National Gas Pipeline Advisory Committee and was formerly the Managing Director and CEO of the Gas and Fuel Corporation of Victoria.

- **Roy Rose, BSc**
  Director

Roy was appointed to the Board on 1 April 2003 and has been a board member of Incitec since 22 October 1998. Roy is also Chief Risk Officer, Orica, with responsibilities for safety, health and environment management, security, internal audit and property infrastructure. Roy is also a director of other entities associated with Orica.

- **David Trebeck, BScAgr (Hons), MEc, MAICD**
  Director

David was appointed to the Board on 1 April 2003. He previously held the office of director of Incitec from 19 May 1997 until 1 April 2003. David is an Executive Chairman of ACIL Tasman Pty Ltd, an economics, policy and strategy consultancy organisation working in a range of industry and government sectors, particularly those associated with rural activities. David is a director of GrainCorp Limited.

Investors should note that the current composition of the Board is likely to change, possibly significantly, following the merger with Pivot. It is proposed that, following the merger with Pivot, Anthony Larkin, Greg Witcombe, Barbara Gibson and David Trebeck be nominated for appointment to the IPL board.

3 The Merger Proposal

3.1 Overview of Merger Proposal

Pivot, Incitec and Orica entered into a Merger Implementation Deed on 21 February 2003 pursuant to which the parties agreed on the terms and conditions on which to implement a merger of Pivot and the Incitec Fertilizer Business (**Merger Proposal**). This merger will result in the creation of the largest fertilizer business in Australia.

The Merger Proposal will be effected through Pivot acquiring all the issued ordinary shares held by Incitec in IFL, the consideration for which will be the issue of 40,796,719 Pivot ordinary shares to Incitec (being 70% of the expanded capital of the merged entity, with existing Pivot shareholders owning the other 30%). Implementation of the Merger Proposal is expected to occur on or about 2 June 2003.

Following the implementation of the Merger Proposal:

- all the issued ordinary shares in IFL will be held by Pivot;
- Pivot will be renamed "Incitec Pivot Limited" and will seek listing on ASX and official quotation of its securities on ASX;
- payment of dividends and repayment of capital in relation to the RPS will continue to be guaranteed by Orica; and
- the ultimate holding company of IFL will continue to be Orica.

If the Merger Proposal does not proceed:

- all the issued ordinary shares in IFL will be held by Incitec (or a nominee of Orica);
- payment of dividends and repayment of capital in relation to the RPS will continue to be guaranteed by Orica; and
- the ultimate holding company of IFL will continue to be Orica.

3.2 Overview of Pivot business activities prior to Merger Proposal

Pivot is an unlisted public company that manufactures, imports and distributes fertilizers. The company was established in 1919 as a farmer owned co-operative to supply single superphosphate fertilizer (**SSP**) to shareholders.

Pivot has traditionally focused its operations on the south-eastern side of mainland Australia, and Tasmania, where it holds a strong market share position.

Pivot's manufacturing operations are purely focused on SSP, and are undertaken at two sites located in Victoria, being Geelong and Portland. The two plants have a combined capacity of 680,000 tonnes. In addition to fertilizer manufactured at its plants, Pivot sources both local and imported product. This enables Pivot to supply a full range of fertilizers for use in cropping, horticulture and pasture markets. Pivot supplied 1.4 million tonnes of fertilizer during the year ended 30 September 2002. The proportion of non-

SSP product has increased recently, with the shift towards nitrogen based fertilizers. However, SSP still accounts for approximately 50% of all fertilizer sold by Pivot.

Pivot has 13 coastal distribution centres located along eastern Australia with a further network of smaller inland distribution centres strategically located in farming areas. These centres provide storage, bagging and blending facilities.

Pivot, operating through a network of agents, has over 60,000 farmers as regular customers. Recently the company has also started selling to dealers, who in turn transact with farmers.

3.3 Intentions concerning the business, assets and employees of IFL

If the Merger Proposal is implemented, it is the intention of Pivot and IFL that a review of the performance of the business divisions and assets of each company be undertaken. That review will be undertaken with a view to maximising the benefits of integrating the management, administration, sales, marketing, operational and other activities of the two companies.

As part of the integration planning process, implementation and steering committees have been formed from representatives of the boards and management of Pivot and IFL to work together to determine an appropriate organisational structure for the merged group and to determine the nature and number of management, administration, sales, marketing, operational and other positions required within IPL.

This planning process will involve evaluating the management personnel employed by Pivot and the IFL employees to determine the persons best qualified from both companies. Following that evaluation process, the appropriate senior management and other personnel from both companies will be selected and other appropriate action taken to implement the administrative reorganisation.

Pivot and IFL anticipate that, following the implementation of the Merger Proposal, there will be a reduction in the combined workforce required by the merged group.

4 Risk Factors

Potential investors should be aware that there are risks involved in investing in RPS. Some of these risks relate generally to any investment, whilst others are specifically associated with the nature of the RPS and with IFL.

Before making an investment decision, investors should carefully consider each of the following risks, as well as other information in this Information Memorandum. There may be other risks not listed below.

4.1 General business risks

IFL operates as a manufacturer and supplier to the Australian fertilizer industry. General business risks include:

- Changes in economic conditions

  General economic conditions, which can be influenced by global, political and economic instability, such as inflation, exchange rates, interest rates, overall supply and demand conditions, world commodity prices of urea and general industrial disruption, may have an adverse impact on prices, revenues, operating costs, and the ability to fund activities.

- Agricultural risks

  IFL's fertilizer products are sold principally to Australian primary producers. The demand for fertilizer is seasonal and subject to variation due to climatic conditions, rural incomes, world commodity prices for products, types of crop planting and changes in farmer preferences for the nutrients provided in fertilizer products.

- Operating risks

  IFL will be exposed to the normal risks of fertilizer manufacturing, including the timely and economic supply of adequate raw materials (especially gas, phosphate rock and sulfuric acid), energy, water and labour, and the ongoing availability and efficient use of production machinery.

- Credit risks

  IFL will be subject to standard business credit risk in the event of breach by its customers of normal trading terms.

- Industrial risks

  Industrial disruptions, work stoppages and accidents in the course of a company's operations can result in production losses and delays, which may adversely affect profitability.

- Changes in Government legislation and/or policies

  Changes in Federal or State government legislation or policies may adversely impact on IFL's operations. For example, a change may occur in relation to policies affecting greenhouse gas emissions or nutrient run-off to the Great Barrier Reef, or other areas.

- Hedging and foreign exchange

  While hedging of commodity prices and exchange rates is possible, there is no guarantee that appropriate hedging will be available at an acceptable cost. Further, even if IFL hedges some or all of its exposures, movements in commodity prices and exchange rates may have adverse financial implications for IFL.

- Competition in the fertilizer industry

  The fertilizer industry operates in a highly competitive domestic environment. The industry is characterised by low barriers to entry and a number of major international fertilizer groups have established, or are attempting to gain, a presence in the market.

- Environmental risks

  IFL's business is subject to environmental laws and regulations and specific operating licences. No assurance can be given that the application of (or changes to) these laws and regulations may not have a detrimental effect on IFL's operations and financial performance in the future.

4.2 Merger specific risks

There is a risk that the Merger Proposal will not be implemented or, if implemented, may adversely affect the performance of IFL, Pivot or both businesses. These risks extend beyond the inability to realise synergies from the Merger Proposal and may include loss of continuity due to changes in key personnel.

There is also the risk that unforeseen events may cause the synergies to be delayed, not be obtained, cost more to achieve than originally expected, or that estimates of volume loss may be incorrect.

4.3 Security specific risks

Some of the RPS specific risks are:

- Capital value

  The capital value of RPS may be adversely affected by an increase in official interest rates, a general widening of interest margins on interest rate products, or a downgrading of Orica's credit rating. Conversely, a decrease in official interest rates, a tightening of interest rate margins or an upgrading of Orica's credit rating may be favourable to the capital value of the RPS.

- Liquidity risk

  RPS are expected to trade infrequently and be relatively illiquid. During the 12 month period after the Allotment Date the RPS may only be transferred where the minimum consideration payable on each transfer is $500,000 or the offer by the transferor otherwise requires only limited disclosure by virtue of section 708 of the Corporations Act.

  No assurance can be given as to the price that investors will receive if they realise their investment prior to redemption, or whether investors will be able to realise their investment prior to redemption.

- Risk of winding up

RPS are preference shares of IFL which will be redeemed 18 months after the Allotment Date. If during this 18 month period IFL is wound up, RPS Holders would have the right to receive a return of capital after all secured and unsecured creditors and other liabilities of IFL had been paid, but ahead of any distribution to the ordinary shareholders of IFL. However, if a dividend is not paid by IFL, Orica will be liable to pay any unpaid dividends in full. If Orica does not pay that missed dividend, RPS Holders have the right to transfer or sell their RPS to Orica by exercising their put option (refer to Section 5.3).

Given the Orica Guarantee, RPS Holders are also exposed to the risk that, if wound up, Orica may be unable to meet its obligations under the Orica Guarantee. In the event that Orica is wound up, any debt owed by Orica to RPS Holders (including amounts payable as a result of exercise of the put option) will rank behind all secured creditors of Orica and equally with other unsecured creditors, but ahead of shareholders of Orica.

4.4 IFL Specific Risks

- Alkimos

By an order dated 19 March 2002, fertilizer cargo belonging to the Incitec Fertilizer Business and located on the vessel "Alkimos" was quarantined by the Australian Quarantine and Inspection Service. To reduce loss suffered by the business as a result of this cargo being quarantined, the cargo was sold to Transammonia AG for re-export to Bangladesh and India. Bangladesh authorities have to date prevented the on sold cargo being discharged in Chittagong.

IFL may be exposed to a claim for damages, in the nature most likely of a demurrage claim pursuant to its Charter Party with Hyundai Merchant Marine, and a claim by Transammonia AG to pass liability back to IFL if it is sued by the purchasers of the cargo. The directors of IFL deny any liability and do not believe any claim in relation to this issue will have a material adverse effect on the ability of IFL to meet its obligations under the Terms and Conditions.

- Pasminco closure of Cockle Creek

Pasminco has announced that it will bring forward the closure of its Cockle Creek smelter to September 2003. IFL manufactures SSP at its Cockle Creek works in Newcastle. Sulfuric acid required to manufacture this product is sourced locally from smelters. IFL considers that access to sulfuric acid for its Cockle Creek works will not be affected by early closure of Pasminco's Cockle Creek smelter.

5 Material Contracts and Additional Information

5.1 Constitution

The constitution of IFL was adopted on 13 February 2003 and amended on 5 May 2003. The rights attached to the RPS with respect to repayment of capital, participation in surplus assets and profits, cumulative and non-cumulative dividends, voting, and priority of payment of capital and dividends in relation to other shares were approved by special resolution of the shareholder of IFL on 5 May 2003 and are summarised in Section 6.

A copy of the constitution of IFL will be available for inspection during usual business hours on Business Days at the registered office of IFL.

5.2 Merger Implementation Deed and share sale agreement

Incitec, Pivot and Orica entered into the Merger Implementation Deed on 21 February 2003. This Deed sets out the terms and conditions pursuant to which Incitec and Pivot have agreed to implement the Merger Proposal. The obligations of Incitec and Pivot to implement the Merger Proposal are subject to a number of conditions precedent being satisfied (or being waived). At the date of this Information Memorandum, the only outstanding conditions precedent are:

(a) IFL having issued the RPS and such shares having been quoted on NSX;

(b) all regulatory approvals required to list IFL on NSX, quote the RPS on NSX, and implement the Merger Proposal having been obtained;

(c) as at the Implementation Date, no action by a regulatory authority prohibiting the implementation of the Merger Proposal, the Offer, the listing of IFL on NSX, the quotation of the RPS on NSX, or any transaction contemplated by the Merger Implementation Deed;

(d) as at the Implementation Date, no action by a regulatory authority requiring Incitec and its subsidiaries, or Pivot and its subsidiaries, to divest, or which materially affects, all or a material part of their respective businesses or assets;

(e) Australian Competition and Consumer Commission approval of the Merger Proposal not being withdrawn, cancelled, revoked or amended in any way unless such amendment is acceptable to both Incitec and Pivot; and

(f) no material adverse change or prescribed occurrence occurring between 21 February 2003 and the Implementation Date in respect of:

    (i) Pivot; and

    (ii) Incitec or IFL which may affect the Incitec Fertilizer Business.

A “material adverse change” will occur if there is a change that is likely to have a negative impact of 15% or more of the net assets or earnings before interest, tax, depreciation and significant items of Pivot, IFL or the Incitec Fertilizer Business. A “prescribed occurrence” in summary means the occurrence of certain activities (other than those contemplated by the Merger Implementation Deed) that may change the status of Pivot's, Incitec's or IFL's share capital, solvency or business or assets from that which existed at the date of the Merger Implementation Deed.

In order to implement the Merger Proposal, Incitec and Pivot have agreed to enter into a share sale agreement. The share sale agreement governs the terms on which Incitec will sell all the issued ordinary shares of IFL to Pivot in consideration for the allotment by Pivot to Incitec of 40,796,719 new ordinary shares in Pivot, credited as fully paid.

5.3 Summary of Terms of Orica Guarantee

Orica has executed a Guarantee, Negative Pledge, Payment and Put Deed under which it has agreed to provide (amongst other things) a guarantee and indemnity to each RPS Holder in respect of IFL's obligations under the Terms and Conditions.

The terms of the Orica Guarantee are summarised below. To the extent that there is an inconsistency between this summary and the Orica Guarantee, the terms of the Orica Guarantee will prevail. A full copy of the Orica Guarantee can be obtained on request from IFL free of charge.

5.3.1 Guarantee, Indemnity and payment obligations

Orica unconditionally and irrevocably guarantees due and punctual payment to each RPS Holder of all amounts payable or which would have been payable by IFL under the Terms and Conditions and under the Commitment Fee Letter (**Guaranteed Money**). If IFL does not pay the Guaranteed Money in accordance with the Terms and Conditions, Orica agrees to pay within 2 Business Days of being notified of IFL's failure to pay that portion of the Guaranteed Money that remains owing to each RPS Holder.

In addition, Orica unconditionally and irrevocably indemnifies each RPS Holder against any loss that a RPS Holder suffers as a result of the Guaranteed Money not being paid by IFL or recoverable from Orica. Orica must pay such amounts within 2 Business Days of any loss suffered by a RPS Holder.

5.3.2 Ranking in relation to Orica senior obligations

In addition to representations about its corporate standing and ability to provide the Orica Guarantee, Orica represents that its obligations to each RPS Holder under the Orica Guarantee rank at least equally with all of its other unsecured and unsubordinated indebtedness (except liabilities mandatorily preferred by law).

5.3.3 Negative pledge and financial undertakings

Orica undertakes to each RPS Holder that neither it nor any of its subsidiaries will create or permit to exist any encumbrance (other than limited permitted encumbrances) in relation to any of its and its subsidiaries' assets. Orica has also undertaken to ensure that its gearing ratio and interest cover ratio do not exceed specified limits.

5.3.4 Access to financial information about Orica

Orica undertakes to:

(i) provide a copy of the following information to a RPS Holder on request:

(A) audited consolidated accounts for the Orica group within 120 days of the end of the latest financial year;

(B) the latest half year report provided by Orica to ASX; and

(C) copies of all information disclosed by Orica to the shareholders of Orica where such information is required by law to be provided and is material to the financial condition or operations of the Orica group; and

(ii) notify each RPS Holder:

(A) as soon as it becomes aware of the occurrence of any Event of Default (refer below) or that any representation or warranty made under the Orica Guarantee is materially incorrect or misleading; and

(B) upon becoming aware of any pending action or proceeding affecting it or any of its subsidiaries before a court or governmental agency which it considers is reasonably likely to be determined adversely to it or any of its subsidiaries and which is either not covered by insurance and would have a material adverse effect on Orica's ability to perform its obligations under the Orica Guarantee or Orica's financial position as a group.

5.3.5 Events of Default

An Event of Default includes:

(i) a failure by Orica to pay any amount which is due and payable to an RPS Holder under the Orica Guarantee and that failure continuing unremedied for 2 Business Days after Orica is notified;

(ii) the occurrence of an insolvency event in respect of Orica or any of its subsidiaries;

(iii) where a representation or warranty made by Orica or IFL in this Information Memorandum is found to be materially incorrect or misleading when made or taken to be made and it is likely that Standard and Poor's would not have attributed to the RPS a credit rating of BBB+ or above on the date of their issue had it been aware that the representation or warranty was materially incorrect or misleading;

(iv) the Orica Guarantee or the Terms and Conditions becoming wholly or partly void, voidable or unenforceable;

(v) Orica or IFL not observing any other obligations or undertaking under the Orica Guarantee or the Terms and Conditions and (if capable of being remedied) not remedying the non-observance within 20 Business Days of receiving notice;

(vi) other than in relation to solvent corporate reconstruction, Orica or IFL ceasing or suspending the conduct of all or a substantial part of its business; or

(vii) Orica or IFL stopping or suspending payment of all or a class of its debts.

5.3.6 Put Option

Orica grants each RPS Holder a put option to require Orica to purchase some or all of the RPS held by that RPS Holder for the purchase price (which is the aggregate of the redemption amount (being an amount equal to the Issue Price) which has not already been paid by IFL or Orica, an amount relating to dividends, and any accrued but unpaid interest in relation to monies payable by Orica under the Orica Guarantee). The put option may only be exercised if:

(i) an Event of Default has occurred; or

(ii) any of Orica's guarantee, indemnity and payment obligations pursuant to the Orica Guarantee are terminated for any reason or otherwise cease to be valid, binding and enforceable obligations of Orica,

and Orica has received a notice in writing that the RPS Holder irrevocably exercises the put option and a duly executed transfer and acceptance form in respect of the RPS in favour of Orica (or its nominee).

5.4 Summary of the Underwriting Agreement

IFL has entered into an Underwriting Agreement with Westpac Securities Limited (**Subscription Guarantor**) pursuant to which the Subscription Guarantor has agreed to underwrite the Offer. The obligations of the Subscription Guarantor under the Underwriting Agreement include guaranteeing subscription of all RPS and a minimum subscription of 25 investors to achieve the spread requirements by Listing Rule 3.9 of Section IIB of the Listing Rules.

The Subscription Guarantor may terminate its obligations under the Underwriting Agreement, without cost or liability to itself, if at any time before the issue of the RPS (anticipated to be 27 May 2003) any one or more of the following events occur:

(a) (**18 Month Swap Index**) the 18 Month Swap Index increases on three consecutive Business Days by more than 100 basis points above the 18 Month Swap Index immediately before the close of trading on the Business Day immediately before the date of the Underwriting Agreement;

(b) (**NSX**) either:

(i) NSX notifies IFL that:

(A) it will not list IFL; or

(B) IFL is required to comply with certain conditions and such conditions are, in the reasonable opinion of the Subscription Guarantor:

(1) not capable of being satisfied prior to the Closing Date; or

(2) unsatisfactory or prejudicial to the success of the Offer; or

(ii) written confirmation from NSX that it will list IFL has not been received by the Subscription Guarantor at least one Business Day prior to the Shortfall Subscription Date (anticipated to be 26 May 2003);

(c) (**insolvency events**) any of the following occur in relation to IFL:

(i) an order or an application is made, or a resolution is passed, for its winding-up, dissolution, official management or administration;

(ii) it institutes any proceedings or arrangements for its liquidation or for the appointment of a receiver;

(iii) a receiver, receiver and manager, administrator or similar officer is appointed over or a distress or execution is levied over its assets;

(iv) it suspends payment of its debts or is unable to pay its debts as and when they fall due; or

(v) it makes or offers to make an arrangement with its creditors or a class of them;

(d) (**conditions precedent**) any one of the following conditions precedent has not been satisfied by the Closing Date:

(i) the agreed due diligence procedures in relation to the Offer being completed to the reasonable satisfaction of the Subscription Guarantor;

(ii) Standard and Poor's issuing a long term credit rating of at least BBB+ to the RPS;

(iii) the Orica Guarantee and the Commitment Fee Letter between IFL and Westpac Banking Corporation relating to a yield enhancing commitment fee payable by IFL to Westpac Banking Corporation in connection with the Offer (**Commitment Fee Letter**) being executed in a form acceptable to the Subscription Guarantor;

(e) (**breach**) IFL breaches or fails to perform its obligations under any provision of the Underwriting Agreement, the Commitment Fee Letter, the Orica Guarantee or the Terms and Conditions;

(f) (**Information Memorandum misleading**) this Information Memorandum, or a statement, report, representation, matter or thing contained in this Information Memorandum, is found to be or to have become misleading or deceptive or a matter or thing required to be included under the Corporations Act is found to have been omitted from this Information Memorandum;

(g) (**Bill rate**) the 90 day dealer's bill rate is at anytime at a level which is 100 basis points more than the rate at the close of trading on the Business Day immediately before the date of the Underwriting Agreement;

(h) (**Deficiency**) IFL is required to issue a supplementary Information Memorandum;

(i) (**ASIC**) ASIC:

(i) gives notice of intention to hold a hearing or investigation in relation to this Information Memorandum or IFL; or

(ii) gives notice of an intention to prosecute IFL or any of its respective directors, officers, employees or agents in relation to this Information Memorandum or the Offer;

(j) (**Fails to Comply**) IFL fails to comply with any of the following:

(i) the Constitution;

(ii) any applicable statute or regulation;

(iii) any policy or guideline of ASIC;

(iv) any requirement, order or request made by or on behalf of ASIC or any governmental agency;

(v) any agreement entered into by it; or

(vi) any requirement or condition imposed by NSX;

(k) (**Capital Structure**) IFL alters its capital structure without the prior written consent of the Subscription Guarantor;

(l) (**Constitution Altered**) the Constitution or any other constituent document of IFL is amended without the prior written consent of the Subscription Guarantor, which consent must not be unreasonably withheld;

(m) (**Hostilities**) there is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs, involving any one or more of Australia, the United Kingdom, the United States of America, Indonesia, the Peoples Republic of China, a member of the European Union, or Japan or a terrorist act is perpetrated on any of those countries or any diplomatic or political establishment of any of those countries elsewhere in the world, or a national emergency is declared by any of those countries;

(n) (**Disruption in Financial Markets**) either of the following occurs:

(i) a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or

(ii) trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading,

in either case the effect of which is such as to make it, in the judgment of the Subscription Guarantor (reached reasonably and in good faith), impracticable to market the Offer or to enforce contracts to issue and allot or sell the RPS;

(o) (**general**) any of the following occurs.

(i) after the date of the Underwriting Agreement there is any:

(A) material adverse change; or

(B) act, omission or thing which could reasonably be expected to result in a material adverse change,

in the financial position (including profitability) of IFL.

(ii) (A) there is introduced into the parliament of the Commonwealth of Australia or of an Australian State or Territory a law intended to come into effect within 12 months;

(B) the Reserve Bank of Australia or the Australian Prudential Regulation Authority adopts a policy; or

(C) there is any official announcement on behalf of the Government of the Commonwealth of Australia or of the Government of an Australian State or Territory, the Reserve Bank of Australia, the Australian Prudential Regulation Authority or any Commonwealth financial authority that a law will be introduced or policy adopted (as the case may be) with effect from the date of the announcement or within three months afterwards, which has altered adversely or could reasonably be expected to alter adversely:

(D) any condition or circumstance relating to the Offer or this Information Memorandum existing at the time of execution of the Underwriting Agreement; or

(E) the income tax position of IFL including, without limitation, the distributable income of IFL or the tax position of shareholders in IFL;

(p) (**Timetable**) any event specified in the timetable set out in the Underwriting Agreement is delayed by more than two Business Days;

(q) (**forecasts**) any statement by IFL in this Information Memorandum which relates to future matters (including, without limitation, financial forecasts) is or becomes incapable of being met or, in the reasonable opinion of the Subscription Guarantor, unlikely to be met in the forecast time; or

(r) (**misleading statements**) IFL makes an allegedly false or misleading statement, or there is any material omission from any information, announcement, advertisement or publicity, in relation to this Information Memorandum or the Offer.

The Subscription Guarantor may not terminate its obligations under the Underwriting Agreement by reason of the events outlined in paragraphs (e), (f), (h), (j)(i), (j)(ii), (j)(iii), (j)(v), (m), (n), (o), (p), (q) or (r) above unless the Subscription Guarantor reasonably determines that the event alone, or taken together with other events set out this section 5.4 which have occurred:

(a) has or will have a material adverse effect on:

(i) the outcome of the Offer;

(ii) the willingness of persons to apply for the RPS;

(iii) the rating of the RPS such that it is likely that Standard and Poor's would have issued a rating of the RPS of less than BBB+; or

(b) has or will give rise to a liability on the part of the Subscription Guarantor.

The other key terms of the Underwriting Agreement are:

- Indemnity

  IFL has indemnified the Subscription Guarantor and its directors, employees, officers and agents (**Indemnified Parties**) in relation to any loss they incur as a result, amongst other things, of any breach by IFL of any of the representations, warranties and undertakings by IFL contained in the Underwriting Agreement.

- Warranties, Representations and Undertakings

  IFL has given the Subscription Guarantor warranties, representations and undertakings in relation to IFL, this Information Memorandum and compliance with regulatory requirements.

- Sub-Underwriting

  The Subscription Guarantor may at any time appoint another person to subscribe for any shortfall underwritten RPS.

- Fees and Expenses

  IFL has agreed to pay the Subscription Guarantor an underwriting fee and has agreed to reimburse certain out of pocket expenses incurred by the Subscription Guarantor.

5.5 Commitment Fee

The Arranger has agreed to pay a commitment fee, payable within 7 days of the Allotment Date, to institutional and retail investors who commit to firm stock of $500,000 before 5 May 2003. The fee is calculated as the percentage which has the effect, on a net present value basis, of increasing the Dividend Rate on the RPS from 80 basis points per annum over the 18 Month Swap Index, to an equivalent of 200 basis points per annum for the 18 months during which the RPS will be on issue.

In consideration for the Arranger procuring the execution of firm stock confirmation forms from institutional and retail investors, IFL has agreed pursuant to the Commitment Fee Letter, to reimburse the Arranger for the amount of the commitment fee calculated in the manner set out above, paid to those investors.

5.6 NSX Waivers

The following relief has been sought from NSX from the requirements of the Listing Rules:

(a) a waiver from compliance with Section IIB Listing Rule 3.6 being the requirement that the listed entity has an adequate track record under substantially the same management for a period of at least two financial years, on the basis that the Offer will be fully underwritten;

(b) relief from compliance with Section IIB Listing Rules 3.8 and 5.2 which provide that securities for which listing is sought must be fully transferable on NSX, on the basis that the Terms and Conditions will provide that RPS may only be transferred in the 12 month period after the Allotment Date where the minimum consideration payable on each transfer is $500,000 or the offer by the transferor otherwise requires only limited disclosure by virtue of section 708 of the Corporations Act;

(c) a waiver from compliance with Section IIB Listing Rules 6.6 and 6.8 being the requirement to submit audited annual and half yearly accounts, on the condition that audited annual and half yearly accounts of IPL will be submitted (which will include the accounts of IFL); and

(d) a technical waiver from compliance with Section IIB Listing Rule 4.4(2)(i)(a) to ensure that IFL is able to provide an information memorandum to NSX instead of a prospectus as part of its application for admission.

5.7 Consents and Disclaimers

Westpac Institutional Bank, a division of Westpac Banking Corporation, has given, and has not withdrawn, its consent to be named in this Information Memorandum as

Arranger. Westpac Institutional Bank, in its capacity as Arranger, has not authorised or caused the issue of this Information Memorandum and does not make, or purport to make, any statement in this Information Memorandum, other than as noted in this Section.

Westpac Securities Limited, has given, and has not withdrawn, its consent to be named in this Information Memorandum as Underwriter. Westpac Securities Limited, in its capacity as Underwriter, has not authorised or caused the issue of this Information Memorandum and does not make, or purport to make, any statement in this Information Memorandum, other than as noted in this Section.

6 Terms and Conditions of RPS

The following are the terms and conditions of issue of the RPS to be issued by IFL.

6.1 Issue Price

Each RPS will be issued as fully paid at an issue price of $5,000.00 per RPS (the **Issue Price**).

6.2 Quotation of RPS

IFL must, at its own expense, apply for quotation by NSX of all of the RPS and to furnish all such documents as are reasonably necessary in connection with such application.

6.3 Dividends

6.3.1 Dividend Entitlement

Subject to the Corporations Act and this Section 6.3, in respect of each Dividend Period, on each Dividend Payment Date each RPS Holder on the Record Date immediately preceding that Dividend Payment Date is entitled to receive and be paid an unfranked preferential Dividend calculated in accordance with the following formula for each RPS held:

Dividend Rate x Issue Price x 0.25 (the **Dividend Entitlement**)

where: the **Dividend Rate** per annum is the Market Rate plus the Margin.

where: the **Market Rate** is the mid-point of the quoted average 18 month interpolated swap reference rates at 10.00 am (Sydney time) on the Australian swap reference rates page SWAPREF of the Australian Financial Markets Association or AFMA service on the Allotment Date. If that rate is unobtainable or manifestly in error, the Market Rate will be a rate determined by IFL following consultation with Westpac Banking Corporation (ARBN 007 457 141).

where: the **Margin** is 0.80% per annum.

6.3.2 Cumulative nature of Dividend

Subject to this Section 6.3, Dividends are cumulative so that if, for any reason, all of the following conditions are met:

(a) all or part of a Dividend Entitlement is not declared and paid by IFL on the relevant Dividend Payment Date; and

(b) Orica did not become obliged pursuant to the Orica Guarantee to make a payment to any RPS Holder as a result of IFL's failure to pay the amount referred to in paragraph (a),

the RPS Holder will be entitled to be paid interest (in addition to the **Shortfall Amount**), with interest accruing on a daily basis on that Shortfall Amount and the unpaid interest amounts at the Default Rate up to the date of actual payment from (and including) the relevant Dividend Payment Date. Interest capitalises on each Dividend Payment Date.

IFL shall pay interest accrued under this Section 6.3.2 (and the Shortfall Amount) on demand or on the next Dividend Payment Date.

6.3.3 Declaration of Dividend

The Board must declare a Dividend payable on the RPS in respect of any Dividend Period up to or equal to the Dividend Entitlement for that Dividend Period where there are profits available for the payment of dividends.

It is the intention of IFL to declare and pay a Dividend on the RPS in respect of each Dividend Period equal to the Dividend Entitlement for that period provided there are profits available for the payment of dividends.

6.3.4 Calculations of Dividends

All calculations of Dividends will be to four decimal places and rounded up or down to the nearest two decimal places. For the purposes of making any Dividend payment in respect of a RPS Holder's total holding of RPS, any fraction of a cent will be disregarded.

6.3.5 Dividend Payment Date

A Dividend will be payable on the RPS in arrears on each Dividend Payment Date, namely:

(a) 27 August 2003 and thereafter on each 27th November, 27th February, 27th May and 27th August during the period from and including the Allotment Date to (but excluding) the Mandatory Redemption Date; and

(b) the Mandatory Redemption Date.

In each case if the Dividend Payment Date is not a Business Day, a Dividend will be paid on the next Business Day.

6.3.6 Payment of Dividends

Where the Board declares a Dividend payable on the RPS in respect of a Dividend Period in accordance with Section 6.3.3, that Dividend shall be paid by cheque, direct credit or by such other means as authorised by the Board from time to time in favour of the RPS Holders as they appear in the Register as at the relevant Record Date and will be dispatched to those holders on the Dividend Payment Date if that day is a Business Day, otherwise on the next Business Day.

6.3.7 Withholding deductions

IFL will be entitled to deduct from any Dividend payable to a RPS Holder the amount of any withholding or other tax, duty or levy required by law to be deducted in respect of such amount and, where any such deduction has been made and the balance of the amount payable has been paid to the holder concerned, the full amount payable to such RPS Holder shall be deemed to have been duly paid and satisfied by IFL. IFL will pay the full amount required to be deducted to the relevant revenue or collection authority within the time allowed for such payment.

6.3.8 Priority of Dividends

If:

(a) IFL fails to pay any Dividend Entitlement in full on the relevant Dividend Payment Date; and

(b) Orica did not become obliged pursuant to the Orica Guarantee to make a payment to any RPS Holder as a result of IFL's failure to pay the amount referred to in paragraph (a),

IFL cannot make any payments, or return capital, on any of its securities (except for the RPS) until IFL or Orica has paid all amounts which are due and payable to all RPS Holders including those amounts payable under Section 6.3.2.

6.3.9 Pro rata payment

If, in the opinion of the Board, the cash or profits available for payment of Dividends in respect of a Dividend Period are insufficient to cover the payment in full on a Dividend Payment Date of:

(a) the Dividend Entitlements of all RPS; and

(b) all dividends arising on any other shares in IFL ranking equally as to dividends with the RPS,

then, any Dividends on the RPS and such other equal ranking shares must not be paid in full, but any Dividends and any dividends payable on such other shares must be paid pro rata on that Dividend Payment Date to the extent of any cash and profits available for the payment of dividends (subject to the declaration of such Dividend under Section 6.3.3).

6.3.10 Undertaking

IFL undertakes not to enter into a covenant or undertaking which prohibits or otherwise precludes IFL from paying dividends to the RPS Holders.

6.3.11 Payment by Orica

A payment by Orica pursuant to the Orica Guarantee as a result of IFL's failure to pay an amount referred to in Section 6.3 satisfies the entitlement of holders of RPS to receive an amount equal to that payment from IFL pursuant to this Section 6.3.

6.4 Ranking

6.4.1 General

RPS rank equally amongst themselves in all respects.

6.4.2 Priority

Each RPS confers upon its holder:

(a) the right in a winding up to payment in cash of the capital then paid up on it, in priority to any other class of shares;

(b) the right (in priority to payment of any dividend to any other class of shares) to any declared and unpaid dividend in respect only of that RPS prior to the issue of a court order to wind up IFL;

but no right to participate beyond the extent specified in Sections 6.4.2(a) and (b) in surplus assets or profits of IFL, whether in a winding up or otherwise.

6.4.3 Return of capital

If, upon any such return of capital referred to in Section 6.4.2, there are insufficient funds to pay in full:

(a) the amounts described in Section 6.4.2 (as reduced by any amount paid by Orica to a RPS Holder under the terms of the Orica Guarantee); and

(b) the amounts payable in respect of any other shares of IFL ranking as to any such distribution equally with the RPS on winding up,

then the RPS Holders and the holders of any such other equally ranking shares will share any such distribution of assets of IFL in proportion to the full respective preferential amounts to which they are entitled.

6.5 Notices and meetings

Each RPS confers upon its holder the same rights as holders of ordinary shares in IFL to receive accounts, reports and notice of meetings of IFL and to attend any general meetings of IFL.

6.6 Voting rights

The RPS Holders will not be entitled to speak or to vote at general meetings of IFL, except in each of the following circumstances:

(a) if at the time of the meeting a Shortfall Amount exists;

(b) on any resolution to approve the terms of a buy-back agreement;

(c) on any proposal that affects the rights or privileges attaching to the RPS;

(d) on any proposal to wind-up IFL; and

(e) during the winding-up of IFL,

in which case a RPS Holder has the same rights as to manner of attendance at general meetings in respect of each RPS as those conferred on holders of ordinary shares in IFL and each RPS Holder will have:

(f) one vote on a show of hands; and

(g) one vote for every dollar of the Issue Price of the RPS held by that holder on a poll.

6.7 Changes in capital structure

6.7.1 New issues

The RPS will not have any rights to participate in any other securities issue made by IFL. In particular, the RPS Holder has no right to participate in any dividend reinvestment plan or bonus share plan established by IFL.

6.7.2 Return of capital

Subject to Section 6.4.2, IFL may reduce the paid up value of its ordinary shares by a return of capital and the RPS will not have any rights to participate in any such return of capital by IFL.

6.7.3 Reconstruction of capital

Subject to Section 6.4.2, IFL may reconstruct its capital and the RPS will not have any rights to participate in any such reconstruction of capital by IFL.

6.8 No conversion

No RPS is convertible into any other security.

6.9 Mandatory redemption

6.9.1 Mandatory redemption

(a) On the Mandatory Redemption Date, every RPS shall be redeemed by IFL. An amount equal to the Issue Price (**Redemption Amount**) will be paid by IFL in cash on the Mandatory Redemption Date. If the Mandatory Redemption Date is not a Business Day, the Redemption Amount will be paid on the next Business Day.

(b) If the RPS Holder transfers its interest in the RPS on or after the Mandatory Redemption Date but prior to the date payment of the Redemption Amount is actually made (**Redemption Payment Date**), the RPS Holder registered in the Register on the Redemption Payment Date will be entitled to receive the Redemption Amount.

6.9.2 Default in payment of redemption amount

Subject to this Section 6.9, if in respect of a RPS:

(a) all or part of a Redemption Amount is not paid by IFL on the Mandatory Redemption Date; and

(b) Orica did not become obliged pursuant to the Orica Guarantee to make a payment to any RPS Holder as a result of IFL's failure to pay the amount referred to in paragraph (a),

the RPS Holder will be entitled to be paid interest (in addition to the **Redemption Shortfall Amount**), with interest accruing on a daily basis on that Redemption Shortfall Amount at the Default Rate up to (and including) the Redemption Payment Date.

IFL shall pay interest accrued under this Section 6.9.2 (and the Redemption Shortfall Amount) on demand.

6.9.3 Payment by Orica

(a) A payment by Orica pursuant to the Orica Guarantee as a result of IFL's failure to pay an amount referred to in Section 6.9 satisfies the entitlement of holders of RPS to receive an amount equal to that payment from IFL pursuant to this Section 6.9.

(b) For the avoidance of doubt if Orica pursuant to the Orica Guarantee makes a payment as a result of IFL's failure to pay the Redemption Amount, IFL's obligation to pay the Redemption Amount will be reduced by an amount equal to the payment made by Orica, so that the RPS can be redeemed on the payment of the reduced amount.

6.10 Variation of rights and further share issues

6.10.1 Variation of Rights – Class Consent

IFL may not vary, alter or abrogate the rights, privileges, limitations and restrictions attaching to the RPS unless, at a meeting where at least 25% of the total number of RPS Holders are represented and at which holders of at least 50% of the paid up amount of the issued RPS are represented, a resolution in favour of that variation, alteration or abrogation is passed by a special resolution of the RPS Holders (the **Class Consent**).

6.10.2 Procedures

The provisions of IFL's Constitution relating to general meetings apply so far as they are capable of application, and with any necessary modifications to every such meeting.

6.10.3 Issue of additional shares – Class Consent required

Class Consent of the RPS Holders is required if the Board proposes to:

(a) issue shares ranking in priority; or

(b) convert any existing shares to securities ranking in priority,

to the RPS as regards the right to receive dividends or the rights on winding up of IFL.

6.10.4 Issue of additional shares – Class Consent not required

Class Consent is not required for:

(a) the issue of further preference shares (whether redeemable or not) in IFL ranking equally with, or after, the RPS as to dividends (whether cumulative or not) and as to rights to winding up; or

(b) the conversion of existing shares in IFL to securities in IFL ranking equally with, or after, the RPS as to dividends (whether cumulative or not) and as to rights to winding up.

6.10.5 Capital Reconstruction – Class Consent not required

Subject to the Corporations Act and the Terms and Conditions, no Class Consent is required for the reduction, redemption or buy back of share capital ranking as regards dividends and as to rights on liquidation ahead of, equally with or after the RPS.

6.11 Amendments to he Terms and Conditions

Subject to complying with all applicable laws, the Board may without the authority, assent or approval of the RPS Holders amend or add to the Terms and Conditions if such amendment or addition, in the opinion of the Board:

(a) is of a formal, minor or technical nature;

(b) is made to correct a manifest error; or

(c) is not likely (taken as a whole and in conjunction with all other modifications, if any, to be made contemporaneously therewith) to be materially prejudicial to the interests of the RPS Holders.

6.12 Transfer

6.12.1 Transferability

RPS are transferable in accordance with IFL's Constitution and may only be transferred in accordance with all applicable laws and regulations of each relevant jurisdiction. RPS which are transferred in respect of offers or invitations received in Australia in the 12 month period after the Allotment Date must be transferred for a consideration of not less than $500,000 unless the offer by the transferor otherwise requires only limited disclosure by virtue of section 708 of the Corporations Act.

6.12.2 Transfer and Acceptance Forms for RPS

A RPS is transferable in whole (but not in part) by a duly completed and (if applicable) stamped Transfer and Acceptance Form obtainable from IFL. Unless a contrary intention is expressed in a Transfer and Acceptance Form, all contracts relating to the transfer of RPS are governed by the laws of the State of Victoria. IFL is not obliged to stamp the Transfer and Acceptance Form.

6.12.3 Registration requirements for transfer

Every Transfer and Acceptance Form in respect of RPS must be:

(a) signed by the transferor and the transferee;

(b) delivered to the office of IFL for registration;

(c) accompanied by such evidence as IFL may reasonably require to prove the title of the transferor or the transferor's right to transfer those RPS; and

(d) duly stamped, if necessary.

6.12.4 Registration of transfers

Subject to this Section 6.12, IFL must register a transfer of RPS. Upon entry of the name, address and all other required details of the transferee in the Register, IFL must recognise the transferee as the holder of RPS entitled to the RPS the subject of the transfer. Entry of such details in the Register constitutes conclusive proof of ownership by that transferee of those RPS. The transferor remains the owner of the relevant RPS until the required details of the transferee are entered in the Register in respect of those RPS.

6.12.5 No fee

No fee or other charge is payable to IFL in respect of the transfer or registration of any RPS.

7 Glossary

Unless the context otherwise requires:

(a) subject to paragraph (c), words and expressions used in the Terms and Conditions have the meanings ascribed to them respectively in the Constitution;

(b) if a word or phrase is defined, its other grammatical forms have a corresponding meaning; and

(c) the following expressions have the following meanings:

18 Month Swap Index	means the mid-point of the quoted average 18 month interpolated swap reference rates at 10.00 am (Sydney time) on the Australian swap reference rates page SWAPREF of the Australian Financial Markets Association or AFMA service on the Allotment Date.
Allotment Date	is the date on which the RPS are actually allotted, which is expected to be 27 May 2003.
Application Form	means the application form accompanying this Information Memorandum.
Arranger	means Westpac Institutional Bank, a division of Westpac Banking Corporation.
ASIC	means the Australian Securities & Investments Commission.
ASX	means Australian Stock Exchange Ltd (ACN 008 624 691).
Board	means the board of directors of IFL.
Business Day	means a day on which banks are open for general banking business in Melbourne and Sydney (not being a Saturday, Sunday or public holiday in either of those places).
Closing Date	means 21 May 2003.
Commitment Fee Letter	means the commitment fee letter from Westpac Banking Corporation addressed to, and accepted by, IFL on or about 5 May 2003.
Constitution	means the constitution of IFL, as amended from time to time.
Corporations Act	means the Corporations Act 2001 and the Corporations Regulations as amended or replaced from time to time.
Default Rate	means the Dividend Rate plus 2% per annum.
Dividend	means the dividends payable on the RPS in accordance with, and as modified by, Section 6.3.
Dividend Entitlement	is defined in Section 6.3.1.
Dividend Payment Date	means each date on which a Dividend is payable in accordance with Section 6.3.5 whether or not a Dividend is paid on that date.
Dividend Period	means the period from (and including) the Allotment Date to

(but excluding) 27 August 2003 and thereafter means:

(a) where the RPS is or should be redeemed under the Terms and Conditions, the period from (and including) the preceding Dividend Payment Date to (but excluding) the Mandatory Redemption Date of the RPS; and

(b) in all other cases the period from (and including) a Dividend Payment Date to (but excluding) the following Dividend Payment Date.

Dividend Rate	has the meaning given to that term in Section 6.3.1.
Guaranteed Money	has the meaning given in Section 5.3.
IFL	means Incitec Fertilizers Limited (ABN 56 103 709 155).
Incitec	means Incitec Ltd (ACN 010 767 263).
Incitec Fertilizer Business	means the fertilizer manufacturing and distribution business previously conducted by Incitec and transferred to IFL on 1 April 2003.
Incitec Pivot Limited or **IPL**	means Pivot following the implementation of the Merger Proposal and the renaming of Pivot.
Information Memorandum	means this information memorandum dated 5 May 2003.
Implementation Date	means 2 June 2003, or such other date as Incitec and Pivot agree.
Issue Price	is $5,000 per RPS.
Listing Rules	means the official listing rules of NSX.
Mandatory Redemption Date	means 27 November 2004.
Margin	is defined in Section 6.3.1.
Market Rate	is defined in Section 6.3.1.
Merger Implementation Deed	means the deed dated 21 February 2003 that sets out the terms and conditions pursuant to which Incitec and Pivot have agreed to implement the Merger Proposal.
Merger Proposal	means the proposed merger of the Incitec Fertilizer Business with Pivot through the acquisition by Pivot of all the issued ordinary shares in IFL in consideration for the allotment by Pivot to Incitec of 40,796,719 new ordinary shares as contemplated by the Merger Implementation Deed dated 21 February 2003.
NSX	means the Stock Exchange of Newcastle Limited (ACN 000 902 063) or substitute exchange as appropriate.
Offer	means the offer of RPS described in this Information Memorandum.
Orica	means Orica Limited (ACN 004 145 868).
Orica Guarantee	means the document entitled Guarantee, Negative Pledge, Payment and Put Deed executed by Orica and dated 5 May 2003.
Pivot	means Pivot Limited (ACN 004 080 264).

Record Date	means the date determined by IFL as such for the purpose of identifying the persons entitled to a Dividend in respect of a Dividend Period.
Redemption Amount	is defined in Section 6.9.1(a).
Redemption Payment Date	is defined in Section 6.9.1(b).
Redemption Shortfall Amount	means the amount calculated by subtracting any amount actually received by a holder of RPS (from either IFL or Orica) in respect of the Redemption Amount from the Redemption Amount.
Register	means the register of RPS maintained by IFL and includes any sub-register of that register.
RPS	means the redeemable preference shares issued on the terms set out in the Terms and Conditions or, where the context requires, each redeemable preference share.
RPS Holder	means each person registered in the Register from time to time as a holder of RPS.
Shortfall Amount	means the amount calculated by subtracting any amount actually received by a holder of RPS (either from IFL or Orica) in respect of the relevant Dividend Entitlement from the relevant Dividend Entitlement amount.
Shortfall Subscription Date	means 26 May 2003.
SSP	means single superphosphate fertilizer.
Standard & Poor's	means Standard & Poor's (Australia) Pty Limited.
Subscription Guarantor or **Underwriter**	Westpac Securities Limited, underwriter of the Offer.
Terms and Conditions	means the terms and conditions for the issue of RPS in IFL as these terms and conditions are amended, supplemented or replaced from time to time and as set out in Section 6.
Transaction Document	means all documents, arrangements, instruments, securities, contractual relationships and financial accommodation (of whatever nature or kind) relating to the Offer.
Transfer and Acceptance Form	means such lawful form as IFL adopts in line with the then current market practice to effect a transfer of RPS.
Underwriting Agreement	means the underwriting agreement with the Subscription Guarantor dated 5 May 2003.

8 Directory

Issuer
Incitec Fertilizers Limited
Paringa Road
Gibson Island
Murarrie Queensland 4170

Guarantor
Orica Limited
1 Nicholson Street
Melbourne VIC 3000

Arranger
Westpac Institutional Bank, a division of Westpac Banking Corporation
Level 9, 255 Elizabeth Street
Sydney NSW 2000
Telephone: (612) 9284 9269
Facsimile: (612) 9284 9286
Attention: Craig Lindner, Director, Corporate Advisory & Equities

Underwriter
Westpac Securities Limited, a wholly owned subsidiary of Westpac Banking Corporation

Legal Advisor to the issue
Arnold Bloch Leibler
Level 21
333 Collins Street
Melbourne Victoria 3000

Registrar
ASX Perpetual Registrars Limited
333 Collins Street
Melbourne VIC 3000
Telephone: (613) 9615 9999

Broker Stamp

Pin cheque here (do not staple)

Application Form

Adviser Code

Incitec Fertilizers Limited ("IFL")

ABN 56 103 709 155

Redeemable Preference Share Offer

Please complete all relevant sections of the Application Form **USING BLOCK LETTERS**

LODGEMENT INSTRUCTIONS

Your completed application form together with payment must be received by 5.00pm on Wednesday 21 May 2003.

A Number of Redeemable Preference Shares ("RPS") applied for

Offer price per RPS **A$5,000.00**

B I/We lodge full application money A$ ___ . 0 0

(minimum 100 RPS, ie $500,000 at $5000.00 per RPS)

COMPLETE FULL NAME DETAILS (refer overleaf for correct forms of registrable names)

C Title / First Name / Middle Name / Surname

D Joint Applicant #2 — Title / First Name / Middle Name / Surname

Joint Applicant #3 (or designated account e.g. <Super Fund>)

E Company Name

PLEASE COMPLETE ADDRESS DETAILS

F PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level / Street Number / Street Name

Suburb/City or Town / State / Postcode

G Telephone Number where you can be contacted during business hours ( )

Contact Name (PRINT)

PLEASE COMPLETE YOUR CHEQUE DETAILS

Please ensure that all cheques equal your total amount payable. Cheques are to be made payable in Australian currency to "**Incitec Fertilizers Limited – RPS Offer**" and cross "Not Negotiable". Please provide the following details of any cheques attached:

H Drawer / Cheque Number / BSB

Account Number

Amount A$ ___ . 0 0

I TFN (or exemption code) First Applicant / Joint Applicant #2 / Joint Applicant #3

SIGNATURE OF APPLICANT(S) - this MUST be signed

J Individual or Shareholder 1 / Shareholder 2 / Shareholder 3

Sole Director and Sole Company Secretary / Director / Director/Company Secretary

IMPORTANT: Before signing the application form, Applicants should read the Information Memorandum to which this application relates.
This form should be signed by the securityholder. If a joint holding, all securityholders should sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form.
If executed by a company, the form must be executed in accordance with the securityholder's constitution and the Corporations Act 2001.

Company Seal

Date: ___/___/___

IFL IPO001

SY/J/DPT/Client/IFL/FLOAT/IFL_Flo_29.4.03v1.p65

The Applicant confirms, represents, warrants and acknowledges in favour of IFL and the Arranger and Underwriter that:

(a) it consents to become a member of IFL and agrees to be bound by the Constitution of IFL;
(b) it has made and relied upon its own assessment of IFL and the RPS and undertaken its own due diligence on IFL's prospects and the RPS and has not relied on any representation made by any other person;
(c) it acknowledges that IFL and the Arranger and Underwriter will rely upon the truth and accuracy of the representations, warranties, acknowledgments and agreements made by the Applicant in this form;
(d) where we received this offer outside of Australia, we confirm that we are able to receive and accept the offer without there being a prospectus or similar disclosure document of IFL complying with any registration requirements;
(e) except for any liability which cannot by law be excluded, we acknowledge that neither the Arranger and Underwriter nor any of their respective related bodies corporate, nor any of their directors, officers, employees or advisers or any of their respective related bodies corporate, accept any responsibility in relation to the Offer;
(f) we confirm that by signing this form and subscribing for the RPS, we are in compliance with all relevant Australian laws and regulations (including the requirements of the Foreign Acquisitions and Takeovers Act 1975);
(g) any contract between the Applicant and any other person arising from acceptance of this application will be governed by the law of Victoria, Australia;
(h) the Applicant will indemnify and hold harmless IFL, the Arranger and Underwriter and their respective officers, employees and agents from any loss, damage or liability of whatever kind arising directly or indirectly from any breach of the above referred warranties.

How to complete the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black ink. These instructions are cross referenced to each section of the Form.

A Insert the number of RPS you wish to apply for in section A. This application relates to the issue of RPS in IFL. RPS will be issued in accordance with the allotment procedure set out in Section 1 of the Information Memorandum.

The application must be for a minimum of 100 RPS (ie. $500,000 at $5,000 per RPS).

B Calculate your application money by multiplying the number of RPS by $5,000.

C Write the full name you wish to appear on the register. You should refer to the table below for the correct forms of name which can be registered.

Applications in the name of a minor, a trust or estate, business, firm or partnership, club association or other unincorporated body cannot be accepted. Applications made in the individual name(s) who is (are) the legal guardian(s), trustee(s), proprietor(s), partner(s) or office bearer(s) (as applicable) of those entities will be accepted.

D If you are applying as Joint Applicants, complete section D. Up to three joint applicants may register. An account designation may be entered on the last line of this section. It should be contained within < > brackets with A/C at the end, eg. <SUPER FUND A/C>.

E If you are applying as a company, complete section E.

F Enter your postal address for all correspondence. All communications to you from IFL's share registry (eg. share statements, annual/interim reports etc.) will be mailed to the person(s) and address as shown. For joint applications, only one address should be entered.

G Please insert your telephone number(s) and contact name in case there are irregularities with your application.

H Make your cheque(s) or bank draft(s) payable to "**Incitec Fertilizers Limited - RPS Offer**" in Australian currency. Your cheque(s) or bank draft(s) must be drawn on an Australian bank. PIN (do not staple) your cheque(s) or bank draft(s) to the Application Form where indicated. Complete the details of your cheque(s) or bank draft(s) in this section.

I Insert your tax file number ("TFN"), Australian Business Number ("ABN") or exemption category. If the application is being made by joint applicants, insert the TFN, ABN or exemption category of each applicant. The collection of TFN's, ABN's or exemptions is authorised and strictly regulated by Australian taxation laws. It is not compulsory to quote your TFN, ABN or exemption category and failure to do so will not affect your application, however, if you do not quote your TFN, ABN or exemption category it may result in tax being deducted from distributions at the highest marginal tax rate plus the Medicare levy.

J Application form should be signed in accordance with instructions above.

IFL advise that once you become a shareholder in IFL, Chapter 2C of the *Corporations Act* 2001 requires information about you to be included in IFL's public register. This information must continue to be included in IFL's public register if you cease to be a shareholder. These statutory obligations are not altered by the *Privacy Amendment (Private Sector) Act 2000*.

Lodgement of Applications

You must return your application with payment so it is received before 5:00pm (Sydney time) on Wednesday 21 May 2003 to:

Mailing Address:
Incitec Fertilizers Limited RPS Offer
C/- Westpac Structured Investments
PO Box A990
Sydney South NSW 1234

OR

Delivery Address:
Incitec Fertilizers Limited RPS Offer
C/- Westpac Structured Investments
Level 5, 255 Elizabeth Street
Sydney NSW 2000
Attention: Leah Sherman

Correct Forms of Registrable Names

Note that only legal entities are allowed to hold shares. Applications must be in the name(s) of natural persons, companies or other entities acceptable to IFL. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form	Example of Incorrect Form
Individuals: Give full name – not initials	Mr John Fred Williams	JF Williams
Companies Use company title, not abbreviations	John Williams Pty Ltd	John Williams P/L
Trusts Do not use the name of the trust, use name(s) of trustee(s)	Mr John Fred Williams <Williams Family A/C>	John Williams Family Trust
Partnerships Do not use the name of partnership, use personal names of partners	Mrs Sarah Jane Wilson Mr Michael John Wilson <Sarah Wilson & Son A/C>	Sarah Wilson & Son
Superannuation Funds Do not use the name of fund, use name of trustee(s) of the fund	Sarah Wilson Pty Ltd <Super Fund A/C>	Sarah Wilson Pty Ltd name(s) of trustee(s) Superannuation Fund

The distribution of the Information Memorandum in jurisdictions outside Australia may be restricted by law and Investors should seek advice on and observe any such restrictions.