Orica Step-Up Preference Securities

Investor Presentation

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A public offer of Orica SPS will be made by Orica pursuant to a prospectus under Part 6D.2 of the Corporations Act that was lodged with the Australian Securities and Investments Commission on 7 February 2006. The prospectus is available from www.orica.com and as otherwise distributed or made available. Anyone wishing to acquire Orica SPS will need to complete the application form that will accompany the prospectus from the opening date of the public offer, which is expected to be 17 February 2006. This document is not a prospectus under Australian law and does not constitute an invitation to subscribe for or buy any securities or an offer for subscription or purchase of any securities or a solicitation to engage in or refrain from engaging in any transaction.

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Overview

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Offer Summary

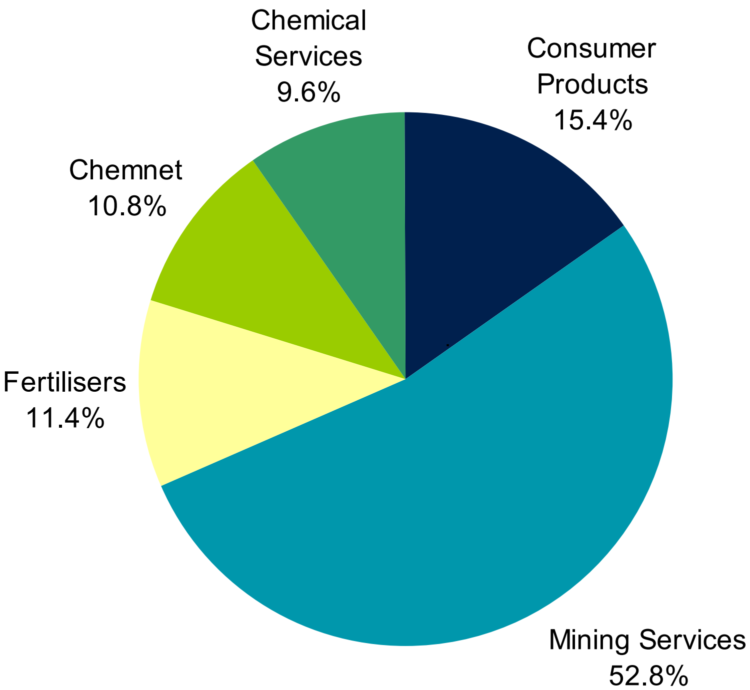
Issuer	▪ Orica Limited (“Orica”) is issuing the SPS Preference Share and Orica New Zealand Securities Limited, a wholly owned subsidiary of Orica, is issuing the NZ Security ▪ The two fully paid securities cannot be traded separately prior to an Assignment Event
Security	▪ Orica Step-up Preference Securities (“Orica SPS”) ▪ Stapled, perpetual, non-cumulative, unfranked securities ▪ Investment grade credit rating of BBB- from Standard & Poor’s ▪ Step-up of 2.25% on 30 November 2011 subject to a Remarketing Process
Offer Size	▪ $400 million plus up to $100 million in oversubscriptions
Use of Proceeds	▪ Proceeds will partially fund Orica’s US$685 million (A$902 million) acquisition of the European, Middle Eastern, African, Asian and Latin American businesses of Dyno Nobel ▪ Should Orica raise more than $400 million from the Offer, the additional funds will be used to support other future growth opportunities
Distributions	▪ Discretionary, floating rate, semi-annual, non-cumulative, unfranked distributions at the 180 day bank bill rate plus a margin (payable on the Face Value) to be determined by bookbuild

Ranking	▪ For the payment of Distributions on the Orica SPS and for payments in a winding up of Orica:
	  ▪ Holders rank ahead of Orica ordinary shareholders
	  ▪ Holders rank behind the existing Orica preference shares currently on issue and all Orica creditors

Credit Rating Step-up	▪ Should the credit rating of Orica SPS fall below Standard & Poor’s BBB- or equivalent, or no longer be rated, then an additional 1.00% will be added to the Distribution Rate
Timetable	▪ Bookbuild — 15 – 16 February ▪ Transfer Orica SPS to Applicants — 16 March ▪ Trading (deferred settlement) — 17 March

Overview of Orica

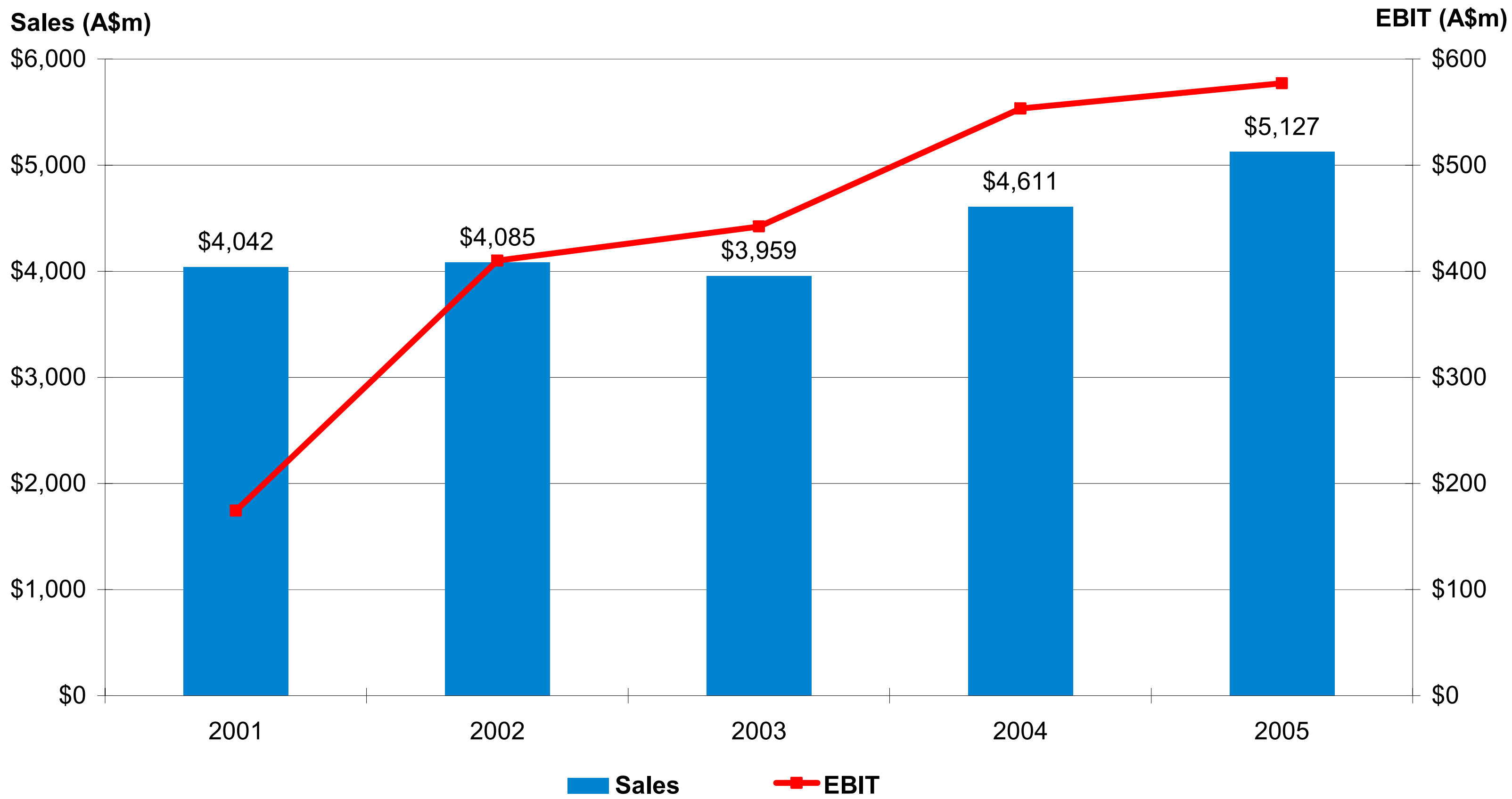
EBIT by business platform in 2005



- **Mining Services** – Post Dyno acquisition, the world's leading supplier of commercial explosives, initiating systems and advanced mining solutions
- **Fertilisers** – Incitec Pivot (70% shareholding) Australia's leading fertiliser manufacturer and distributor
- **Consumer Products** – leading paint and paint preparation business in Australia and New Zealand
- **Chemnet** – leading distributor of industrial and specialty chemicals
- **Chemical Services** – a market leader in the watercare, mining chemical and niche industrial chemical markets

Orica's Historical Sales and EBIT

Historical sales and EBIT performance

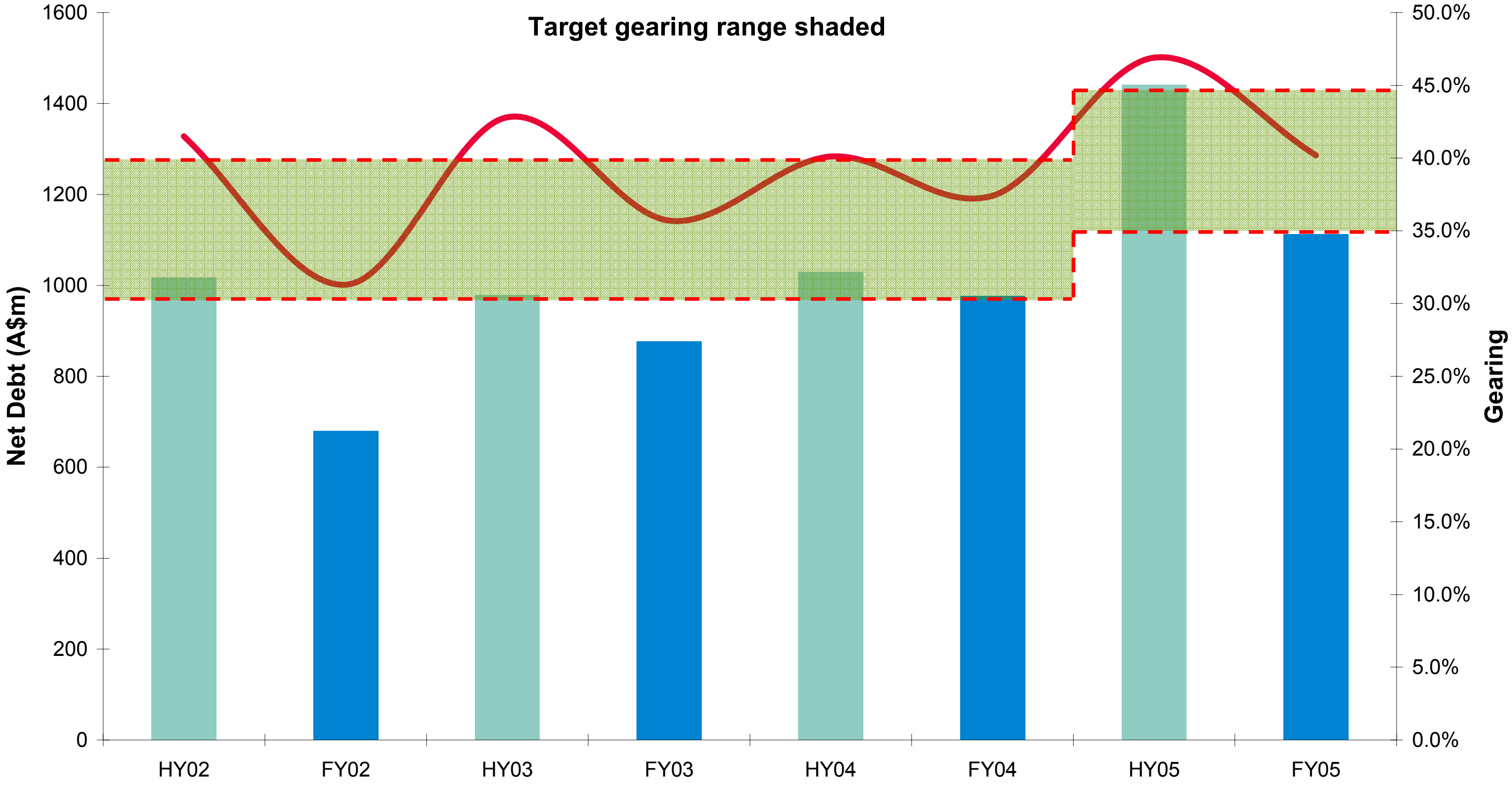


Orica FY 2005 Financial Summary

		2005*	2004*	% Change
Underlying Results:				
Sales Revenue	A$M	5,127	4,610	11
NPAT (excluding significant items)	A$M	335	326	3
EBIT (excluding significant items)	A$M	577	553	4
Results including significant items:				
Significant items after tax	A$M	(99)	2	
NPAT including significant items	A$M	236	328	(28)
Coverage Ratios:				
Gearing (target 35 – 45%)	%	40.2	37.4	
Interest cover (target >5x)	x	5.6	7.7	

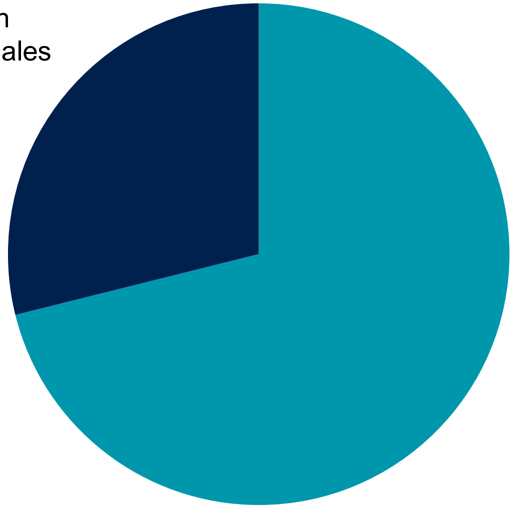
*Prepared under AGAAP

Net Debt and Gearing



Dyno Nobel Acquisition Highlights

Acquisition Businesses' and Consortium Businesses' sales*

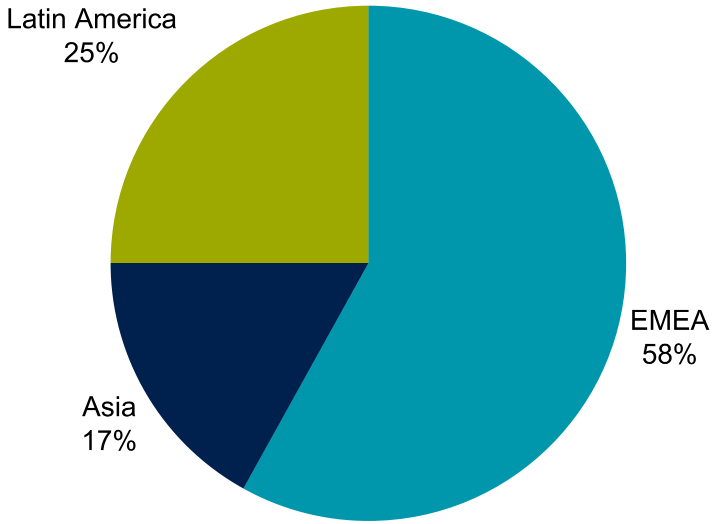


*Sales for 12 months ended 31 December 2004

- Dyno Nobel and Orica are the world's leading mining services companies
- Dyno Nobel develops, produces and sells bulk and packaged explosives, ammonium nitrate, initiation systems, accessories and blasting services for use in the mining services, quarrying and construction industries
- Macquarie Bank led consortium acquired Dyno Nobel's global business
  - Consortium will retain North America, Australia, New Zealand DetNet JV and the Mexican Initiating System plant
  - Remaining businesses on-sold to Orica represent 29% of Dyno Nobel's sales

Dyno Nobel Acquisition Highlights

Acquisition Businesses' EBITDA by geography*



- Orica will acquire substantially all of the European, Middle Eastern, African, Asian and Latin American businesses for US$685 million (A$902 million)
- Businesses are being transferred progressively to Orica following completion in November
- Acquisition businesses operate manufacturing and distribution facilities and sales offices in at least 35 countries, with sales in 50 countries
- Identified annual cost savings of approximately $90 million

*EBITDA for 12 months ended 30 June 2005

Funding the Dyno Nobel Acquisition

Application of Funds	A$m
Acquisition Price	902
Due Diligence Transaction Costs	32
Funding Transaction Costs	23
Future Growth Opportunities	62
Total	1,019

Sources of Funds	A$m
Debt	103
Hybrid	400
New Equity (Rights Issue)	516
Total	1,019

- Acquisition funded by mix of equity, the issue of a hybrid security and existing debt facilities
- Designed to support BBB+ credit rating
- Since S&P's ratings report on 19 September 2005:
  - —Rights Issue raising $516 million completed
  - —FY05 results in line with expectations
  - —$400-500 million hybrid issue announced
- S&P has assigned a credit rating of BBB- to the Orica SPS

Pro Forma Balance Sheet

A$ m	Orica AIFRS Audited to September 05	Acquisition Businesses IFRS Unaudited 30 June 2005	Acquisition Adjustments	Orica SPS and Rights Issue Adjustments	Pro Forma Combined
Total Assets	4,463.4	386.8	721.3	62.0	5,633.5
Total Liabilities	2,931.8	131.7	954.0	(831.0)	3,186.5
Net Assets	1,531.6	255.1	(232.7)	893.0	2,447.0
Total Shareholder's Equity	1,531.6	255.1	(232.7)	893.0	2,447.0

Assumes a $400 million Orica SPS offer size

Term Sheet

		Comparable Security
Security	Orica Step-Up Preference Securities (Orica SPS)	
Offer	$400 million with an ability to accept oversubscriptions for up to $100 million	
Ranking	Ahead of Orica ordinary shares, behind existing Orica preference shares and creditors	
Face Value	$100	
Term	Perpetual	
Remarketing date	First Remarketing Date on 30 November 2011	
Distributions	Floating, semi-annual, unfranked, non-cumulative, payable at Orica Director's discretion	
Distribution Rate	180 day BBSW + Margin (to be set by a bookbuild on 15 – 16 February) Distribution Rate may change at a Remarketing Date via a Remarketing Process	
Distribution Payment Dates	31 May and 30 November each year The first Distribution will be payable on 30 November 2006	
Step-Up Margin	Margin as at the Remarketing Date plus 2.25%	DCA HELTHYS, Seven TELYS3
Margin step-up for credit rating fall	An additional 1.00% will be added to the Distribution Rate during any period that the Orica SPS credit rating falls below S&P's BBB-, or is no longer rated	MAp TICkETS, Leighton Notes
Voting Rights	Orica SPS Holders may not vote in general meetings except in limited circumstances	

Term Sheet

		Comparable Security
Distribution Priority	Distributions are payable in priority to distributions on Orica ordinary shares, but behind existing Orica preference shares. Where an Orica SPS Distribution is not paid, Orica may not declare or pay any dividends, pay any interest, or distribute any income or capital (either by way of capital return, buyback, redemption or repurchase) on any security that ranks behind the Orica SPS until: - Orica has paid Orica SPS Distribution Payments scheduled for the 12 months following a missed Distribution; or - Orica has paid an amount equivalent to the unpaid Distributions in the past 12 months called an Optional Distribution; or - All Orica SPS have been Repurchased or Converted; or - A special resolution of the holders of the Orica SPS has been passed approving such action.	Santos FUELS

Term Sheet

		Comparable Security
Options for Orica at a Remarketing Date	On the first Remarketing Date Orica may: - Change certain terms and set a new Margin through a Remarketing Process; - Repurchase or Convert the SPS; or - Increase the Distribution Rate to the Step-up Margin (2.25% above the Margin before the Remarketing Date).	Australand ASSETS
Remarketing Process	Terms are set until the first Remarketing Date on 30 November 2011 when a Remarketing Process may be conducted to determine new Terms including the Margin. If no Remarketing Margin is set (including Orica not giving a Remarketing Process Invitation), the Step-up Margin applies from the Remarketing Date unless Orica decides to Repurchase or Convert the Orica SPS.	Australand ASSETS
Holder Response	In conducting the Remarketing Process Orica will invite Holders to give a Step-up Notice, Bid Notice or Hold Notice (holders that do not respond are deemed to have given a Hold Notice).	Australand ASSETS
Remarketing Threshold	Hold or Bid Notices cumulatively in respect of 25% of Orica SPS on issue are required in order to set a Remarketing Margin.	Australand ASSETS - 10% response
Outcome for Holders	Should a Remarketing Margin be set Orica must: - Accept Bid Notices (at or below the Remarketing Margin) and Hold Notices; and - Repurchase, Resell or Convert all other existing holders.	Australand ASSETS

Term Sheet

		Comparable Security
Issuer Repurchase and Conversion Rights	Orica may repurchase or Convert (at its option) some or all of the Orica SPS upon: - Any Remarketing Date; - Any Distribution Payment Date occurring after an unsuccessful Remarketing Process; - The occurrence of an Accounting Event, Tax Event, Acquisition Event or Change in Law Event; or - Where the aggregate Face Value of all the Orica SPS on issue is less than $100m.	Australand ASSETS
Repurchase Amount	In the event of Repurchase, Holders receive cash for each Orica SPS equal to the $100 Face Value plus any unpaid Distributions in the preceding 12 months.	
Conversion	In the event of Conversion, Holders receive a variable number of Orica ordinary shares determined by dividing the Face Value plus any unpaid Distributions by the 20-day VWAP discounted by 2.50%.	
Holder Repurchase and Conversion Rights	Holders may only request Repurchase or Conversion in limited circumstances, namely where Orica has breached the Distribution priority or the Orica Directors' recommend acceptance of a takeover or scheme of arrangement.	

Term Sheet

		Comparable Security
Repurchase Considerations	It is Orica’s intention to retain the Orica SPS as a permanent component of Orica’s capital structure unless: a) Orica believes a Repurchase of the Orica SPS would not result in Orica's senior unsecured credit rating falling from the rating that applied one business day prior to the Repurchase, or b) it replaces the Orica SPS with ordinary shares or other securities ranking equally with and having similar terms to Orica SPS in an aggregate amount sufficient for those securities to carry the same or better equity credit weighting assigned to the Orica SPS by Standard and Poor's at the date the Orica SPS are issued. Orica has entered into a covenant in favour of unsecured rated debt holders that it will fulfil the above intention regarding Repurchase in the first 10 years following the issue date of the Orica SPS.	None

Selected Financial Ratios

Pro forma combined historical EBITDA for 2005	$636 million
Distribution on Orica SPS (1)	$28 million
Interest expense (2)	$117 million
Interest Coverage (EBITDA / Interest Expense)	5.4x
Distribution Coverage (EBITDA / Interest Expense + Distribution on Orica SPS) (3)	4.4x

(1) Annualised assuming $400 million raised at 7.00%
(2) 2005 reported interest expense plus estimated interest expense on additional $103 million of debt drawn down to partially fund the acquisition at an interest rate of 7.00%
(3) The Orica SPS in relation to the Offer is an equity return and would not be classified as interest

Note: In the event that $500 million is raised via this the Orica SPS, the interest coverage would increase to 5.8x and the distribution coverage would remain 4.4x. These ratios assume the additional $100 million would be used to reduce existing debt facilities.

Offer Timetable

Orica SPS prospectus lodged	7 February
Institutional and Broker-Firm Roadshow	7 – 9 February
Institutional and Broker-Firm Bookbuild (to determine Margin)	15 – 16 February
Margin announced and Replacement Prospectus lodged	17 February
Opening date of General, Shareholder Priority and Broker Firm Offer	17 February
Closing date of General and Shareholder Priority Offer	8 March
Closing date of Broker Firm Offer	10 March
DVP Settlement	15 March
Transfer of Orica SPS to Applicants	16 March
Orica SPS commence deferred settlement trading on ASX	17 March
Orica SPS commence normal trading on ASX	20 March
First Re-Marketing date	30 November 2011

Contacts

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