

23 October 2007

Dear Shareholder

Dividend Reinvestment Plan

The Orica Limited Board of Directors has resolved to underwrite the Dividend Reinvestment Plan (**DRP**), as part of the funding plan for the recently announced acquisition of Excel Mining Systems LLC (Excel).

As a consequence some amendments to the **DRP** will be implemented for at least the 2007 final dividend:

- **Discount:** The Board has introduced a **2.5% discount** (currently nil) on shares issued under the underwritten **DRP**.
- **Acquisition price:** The acquisition price will now be the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) during a period of 12 trading days (currently 7 days), commencing 2 days after the dividend record date, less the 2.5% discount.

As is normally the case, no brokerage, commission, stamp duty or other transaction costs will apply to shares issued under the **DRP**.

Further information about the **DRP** and key dates is enclosed.

If you are an existing **DRP participant, no action is required unless you wish to change your current participation.**

If you currently do not participate in the **DRP** I would encourage you to consider carefully this opportunity, for at least as long as the discount is available. To participate in the **DRP** please complete the enclosed election form as appropriate and return it in the reply paid envelope supplied or alternatively fax to +612 9287 0303. Election forms are required to be received by no later than 5pm (Australian Eastern Standard Time) on **20 November 2007**.

Please call Orica's Share Registry on toll free 1300 301 253 or international callers on +612 8280 7754 if you have any further questions about the **DRP**.

Yours faithfully



Don Mercer
Chairman

FURTHER INFORMATION ON THE ORICA DIVIDEND REINVESTMENT PLAN (DRP)

A full copy of the Orica DRP information booklet is available at www.orica.com under “Investors” then “Dividend Reinvestment Plan” or you may contact Orica’s Share Registry and request a copy of the booklet free of charge.

What does underwriting the DRP mean?

“Underwriting the DRP” means that the Company has agreed with the Underwriter that it will issue shares with a value equal to 100% of the dividend being paid and that the Underwriter will acquire those shares that are not allocated to shareholders under the DRP. It is a method of ensuring that the Company continues to pay a dividend without expending the Company’s cash reserves.

Why has the DRP pricing period been increased from 7 to 12 days?

The pricing period has been increased so that the acquisition price is impacted less by short term variations in the Company’s share price.

Will the 2.5% discount be continued for future dividends?

Under the terms of the DRP, Orica may, at its discretion, apply a discount or not (determined by the Board) in respect of any dividend.

If I want to participate in the DRP do all of my shares have to participate?

A shareholder may participate in the DRP in respect of all their ordinary shares or, alternatively, in respect of a specified number of ordinary shares which is less than their total holding. If only part of a shareholder’s holding is nominated for participation in the DRP, the balance of the shareholding will receive cash dividends in the normal way.

What if I do not participate in the DRP?

You will receive cash dividends for all of your ordinary shareholding.

KEY DATES	
12 November 2007	Final Dividend declared
14 November 2007	Ex Dividend date
20 November 2007	Record date
20 November 2007	RETURN DRP ELECTION FORM
22 November to 7 December 2007	DRP pricing
14 December 2007	Dividend payment date