Acquisition of complementary Dyno Nobel regions

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Overview

An outstanding opportunity to grow Orica Mining Services

- Macquarie led consortium ("Macquarie consortium") to acquire Dyno Nobel's global business
  - Macquarie consortium to retain North America, Australia, DetNet JV and Mexican Initiating Systems (IS) plant
  - Remaining businesses to be on-sold to Orica
- Orica to acquire European, Middle Eastern, African, Asian and Latin American businesses of Dyno Nobel
- Purchase for US$685 (A$900 million) on a debt free basis
  - Approx 11.1 times 2005[1] EBITDA
  - Approx 5.3 times pro forma 2005[1] EBITDA including est. year 3 cost savings (before significant items)
  - Funding package to maintain BBB+ rating (S&P)
- Expected completion of the Macquarie consortium transaction is late November 2005
- Businesses transferred to Orica progressively following completion

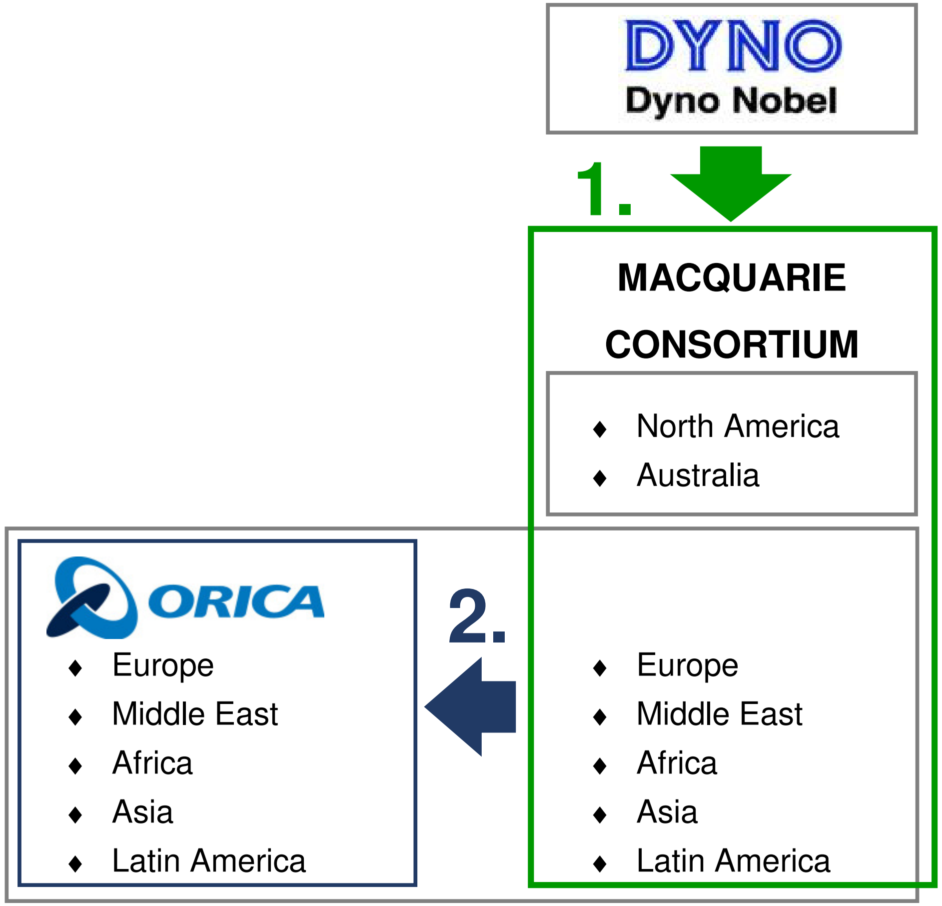
Note:
1. 12 months ended 30 June 2005, excluding transaction costs.

Transaction structure

Creative structure used to secure key growth assets

1. Macquarie consortium acquires 100% of Dyno Nobel in the first instance

2. Macquarie consortium on-sells European, Middle Eastern, African, Asian and Latin American businesses to Orica
   – Macquarie consortium retains North American and Australian businesses, Mexican IS plant and DetNet JV



Split of Countries

The European, Middle Eastern, African, Asian and Latin American businesses of Dyno Nobel represent approximately 30% of revenues

Dyno Nobel

Europe, Middle East and Africa

Belgium
Bulgaria
Czech Republic
Denmark
Estonia
Faeroe Island
Finland
France
Germany
Ghana
Greece
Hungary
Iceland
Ireland
Italy
Norway
Poland
Portugal
Russia
Slovakia
South Africa
Spain
Sweden
Switzerland
Turkey
UK
Ukraine
Zambia
Zimbabwe

Latin America

Argentina
Bolivia
Brazil
Chile
Colombia
Costa Rica
Cuba
Mexico
Panama
Peru
Venezuela

Asia

Hong Kong
India
Indonesia
Japan
Malaysia
Philippines
PNG
South Korea
Thailand
China

Australasia

Australia
New Zealand

North America

Canada
US
Mexican IS plant

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MACQUARIE CONSORTIUM

Transition and integration

1 Phase one— Acquisition

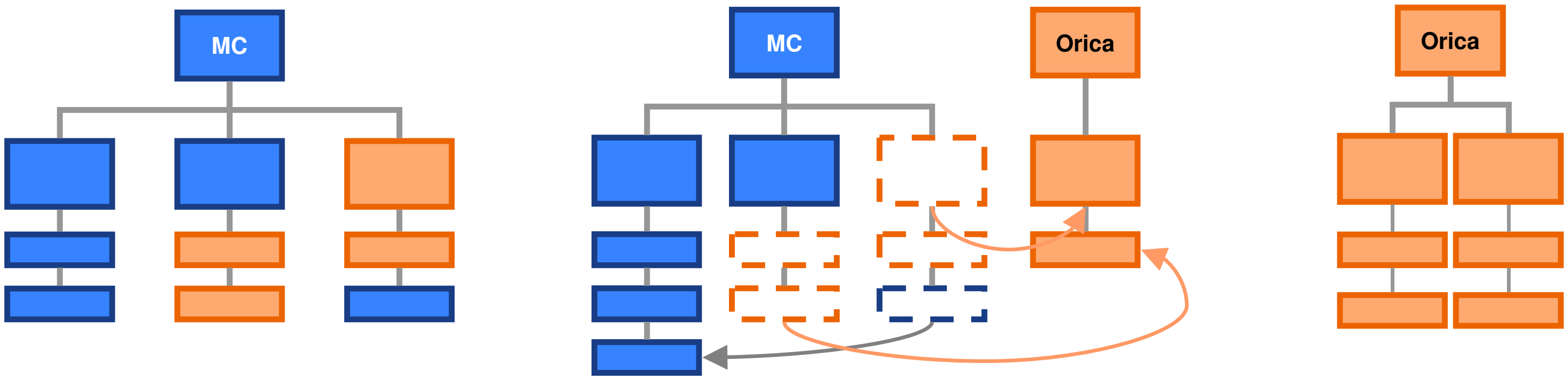
- Acquisition of 100% of Dyno Nobel by Macquarie consortium
- Completion expected in late November 2005

2 Phase two— Separation

- Anti-trust and regulatory approvals obtained
- Progressive transfer of businesses to Orica over ~ 6 month period

3 Phase three— Integration

- Integration process
- ~ 2 year process



Overview of Dyno Nobel Regions being acquired by Orica

Indicative Financial Summary:

A$m 2005A[1]	*EMEA*	*Asia*	*Latin America*	*Total*
Revenue	270	74	189	533
EBITDA	47	13	21	81
EBIT	37	9	17	63

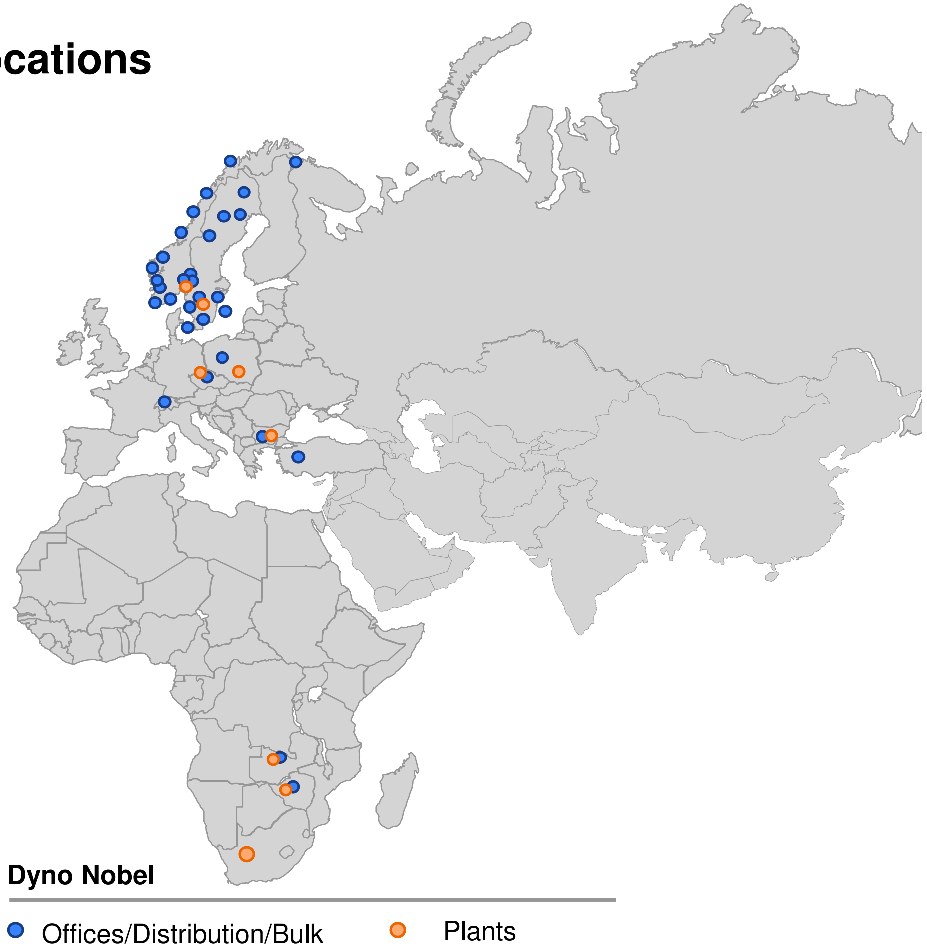
Sales in 50 countries, operations in 31 countries with >2,500 employees

Note:
1. Twelve months ended June 2005, includes Dyno Nobel allocated corporate costs
2. No adjustments made to align differing accounting policies between Orica and Dyno Nobel
3. Converted using an AUS/USD spot rate of 0.76

Europe, Middle East and Africa

Approximately 51% of the Orica acquired sales (2005A[1])

Locations



Note:
1. Twelve months ended June 2005
2. Excludes DetNet operations in South Africa

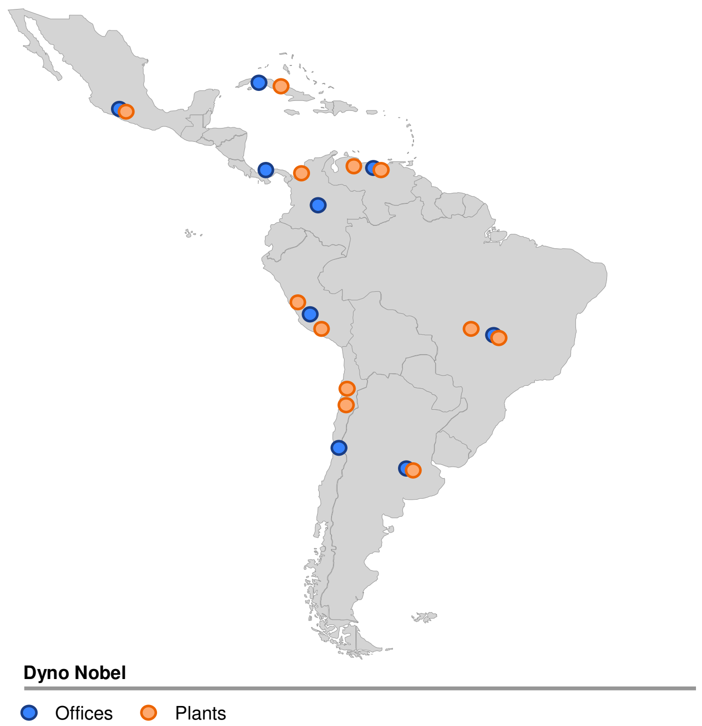
Overview

- The Nordic region is Dyno Nobel's primary market in the EMEA region
- Global head office and EMEA regional head office based in Oslo, Norway
- Primary IS manufacturing facility located in Gyttorp, Sweden
- Nordic and Western European markets predominantly Quarry & Construction
- Eastern Europe predominantly Minerals & Metals
- Eastern Europe, Russia and Africa expected to be key drivers of future growth

Latin America

Approximately 35% of the Orica acquired sales (2005A[1])

Locations



Overview

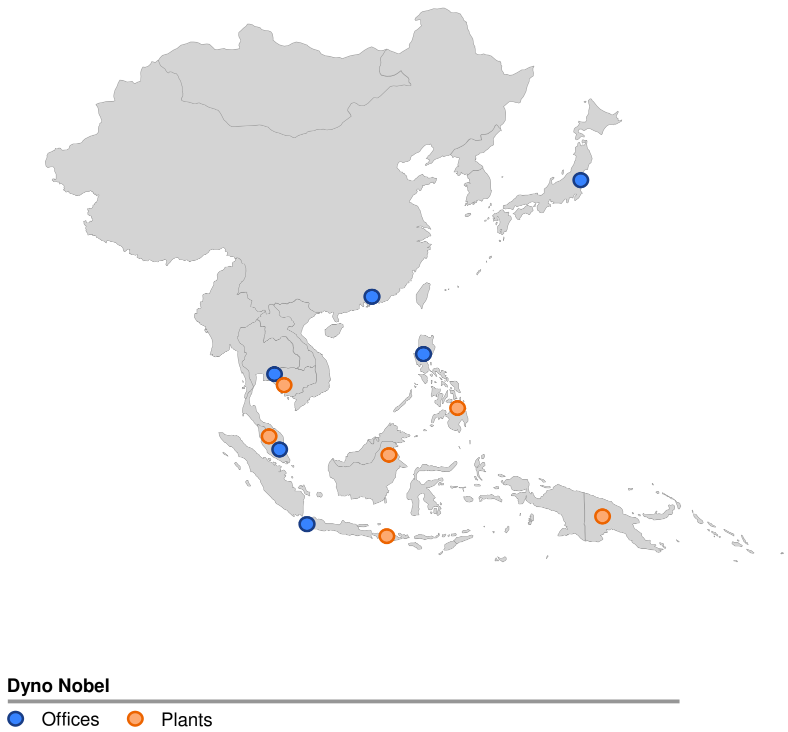
- Key manufacturing facilities located in Chile and Brazil (Mexico IS plant acquired by Macquarie consortium)
- IS assembly plants acquired in Cuba, Venezuela, Brazil, Chile, Peru and Colombia (under construction)
- Predominant market is Minerals & Metals, with Coal markets in Colombia
- Latin American regional head office based in Santiago, Chile
- Growth fuelled by global metals demand and commodity prices
- Well positioned in key markets

Note:
1. Twelve months ended June 2005
2. Excludes Mexican IS plant (acquired by Macquarie consortium)

Asia

Approximately 14% of the Orica acquired sales (2005A[1])

Locations



Overview

- AN manufacturing facilities in Thailand and Philippines
- Emulsion plants in Indonesia and PNG
- Largest regional market is Indonesia
- Growth fuelled by strong demand for coal and metals

Note:

1. Twelve months ended June 2005

Strategic rationale

A clear and unique strategic fit for Orica Mining Services

- Expansion of global footprint
- Extended access to new and growing regions
  - Russia, Asia and Latin America
- OMS transforming acquisition with manageable risk
- Earnings diversification for Orica Mining Services
- Significant cost savings
- Scale benefits for research and development / sales and marketing
- Increased capability to service global customers
- Satisfies our strategic principles:
  - Market leadership
  - Grow only value adding business who have "earned the right to grow"
  - Related growth - build on our best businesses

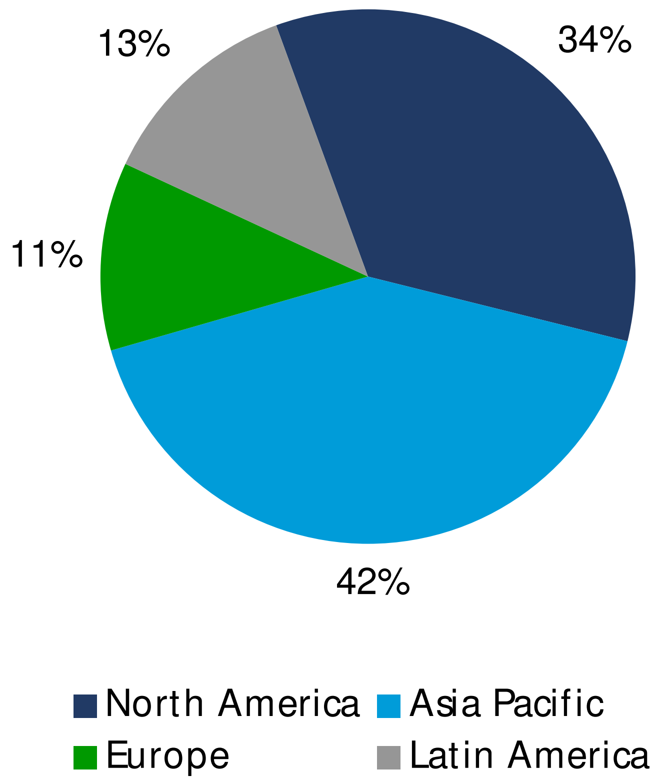
Financial rationale

A financially compelling case

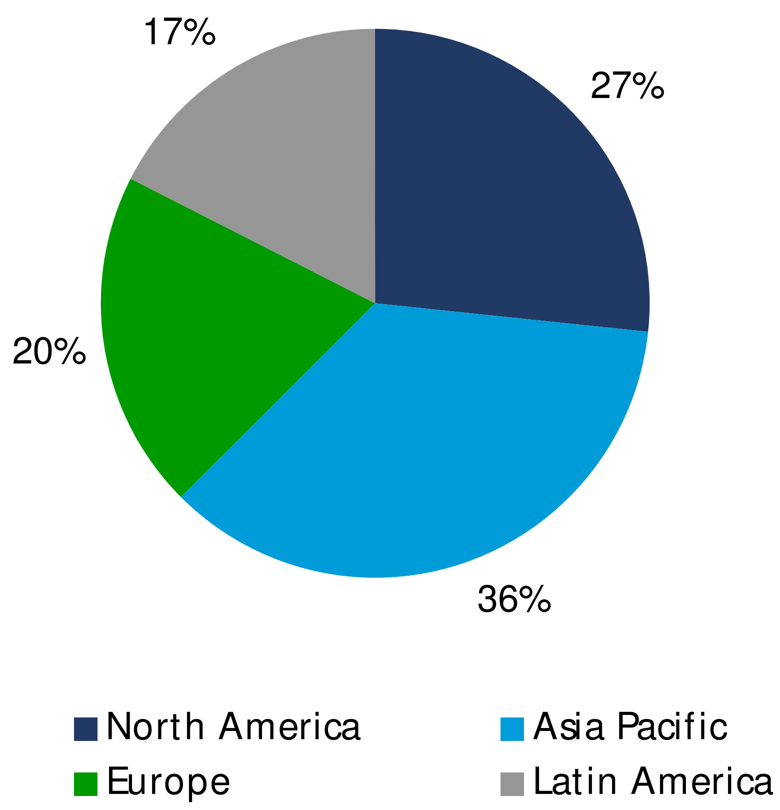
- Achieves an 18% RONA in third full year of acquisition (FY2009)
- EPS accretive (before significant items) in first full year (FY2007)
- Funding package designed to maintain support for BBB+ credit rating
- Gearing expected to be restored to target range 35% - 45% by FY2007

Geographical diversification

OMS revenue by geography 2004A

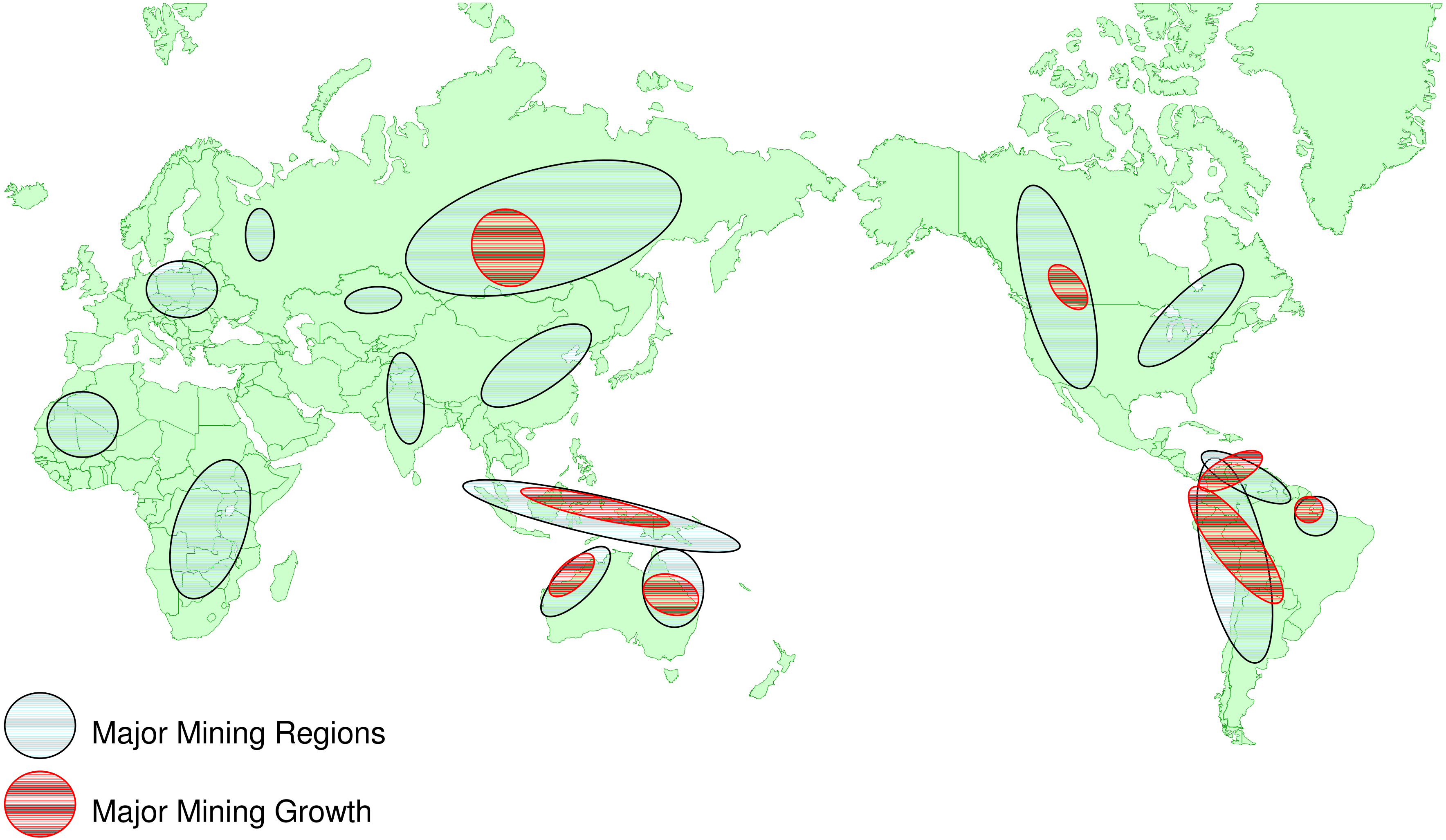


Combined revenue by geography 2004PF



Global Mining Regions

OMS will be well positioned to capture growth opportunities



Significant cost savings

To be achieved over three years

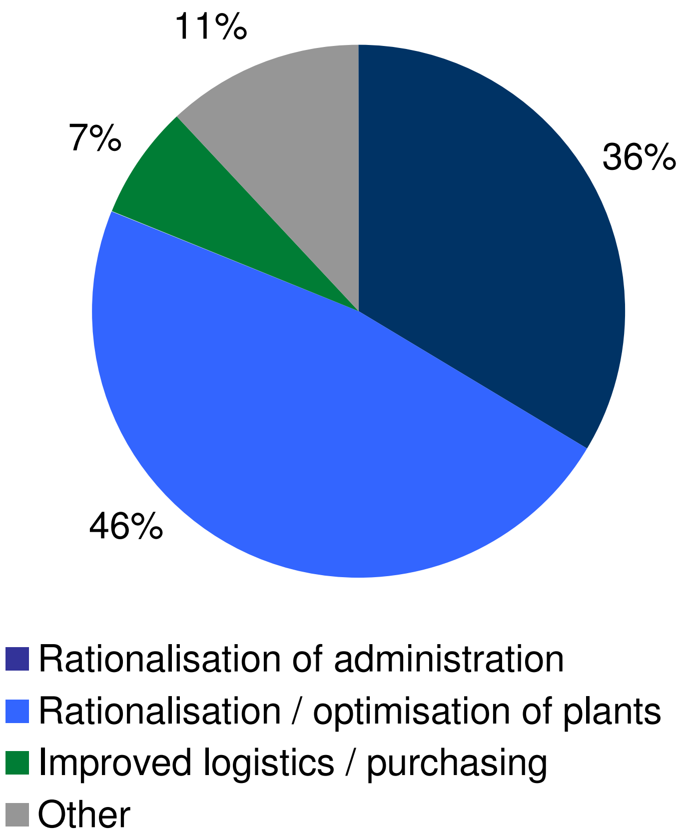
Expected cost savings

- Orica has conducted a detailed review of potential cost savings
- Annualised cost savings of A$90 million are achievable by the end of the third year following the acquisition
  - Progressively achieved over 3 years
  - Most expected to be achieved in second and third years
- Associated implementation cost of approximately A$150 million
  - ~80% expected to be incurred within first two years of ownership
  - Implementation costs will be predominantly expensed

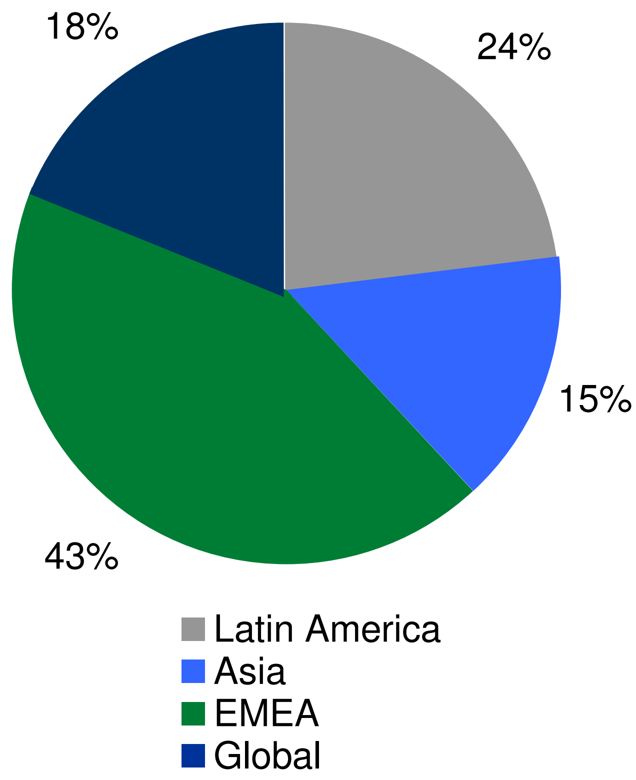
Significant cost savings

To be achieved from…

EBIT cost savings by type



EBIT cost savings by geography



Detailed internal analysis of sources and timing of cost savings

Significant cost savings

Specific opportunities have been identified involving...

- Duplication of administration activities and systems in 16 countries
- Duplication of IS manufacturing and assembly plants in all 3 regions
  - Dyno Nobel have 12 IS plants
  - OMS have 9 IS plants
- Opportunity to improve the operational efficiency of the various manufacturing assets
- Opportunity to improve shipping efficiency in Asia and Latin America
- Opportunity to improve AN output in Asia
- Rationalisation of Global Head Office functions
- More efficient use of the combined global organisation

Orica Mining Services - post transaction

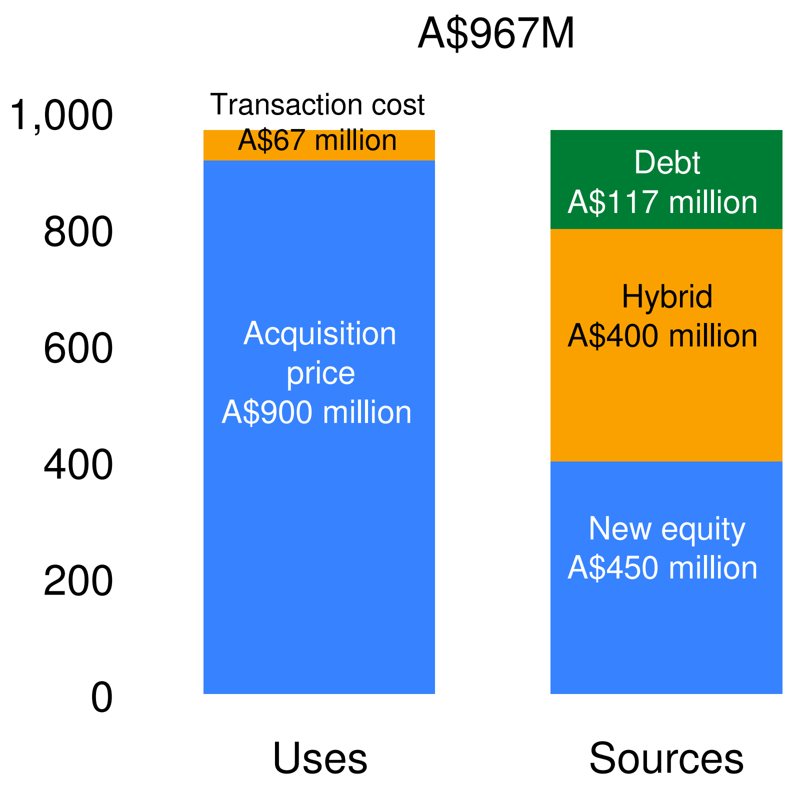
Establishes Orica as the pre-eminent global explosives supplier

Sales (revenue)	~A$2.5 billion
Employees	~8,000
Sales in	98 countries
Operations in	50 countries

Funding

Overview

- Total acquisition cost A$967 million (including transaction costs)
- Funded by mix of equity, the issue of a hybrid security and existing debt facilities
- Designed to support BBB+ credit rating
- Target gearing range of 35% to 45%
  - Restored by FY2007



Funding

Equity

- Total equity raising of approximately A$450 million conducted by a pro rata entitlement issue
- All shareholders have equal ability to participate
- Underwritten
- Terms to be announced on or about 21 November 2005, concurrent with Orica's full year results

Funding

Hybrid

- Total hybrid raising of approximately A$400 million
- Joint lead managers have been appointed
- Hybrid instrument expected to be perpetual, non-cumulative, unfranked, redeemable / convertible securities with a step up in margin if the initial margin is not reset 5 years after issue
- Equity for accounting purposes, intermediate equity credit for Standard & Poor's. Non-dilutive
- Hybrid issue expected launch date of late January 2006

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