



5 July 2006

Mr Julian Segal
Managing Director and Chief Executive Officer
Incitec Pivot Limited
GPO Box 1322L
Melbourne
Victoria 3001

Dear Mr Segal

Importation of phosphate mineral rock mined in Western Sahara

I am writing concerning the useful meeting between representatives of Incitec Pivot and representatives of AWSA that took place Thursday 29 June 2006 at the offices of your company in Melbourne. Those who attended were Kerry Gleeson, General Counsel and Company Secretary, Neville Heydon, Corporate Affairs Advisor and Paula Walker, Legal counsel from Incitec Pivot and Sue Humphries, Vice President, Cate Lewis, Secretary, AWSA (Victoria) and myself as President from AWSA.

We appreciated the time your three officers gave us together with their advice about the operations of your company, particularly in relation to the sources of supply phosphate rock and the use of that and other materials in the making of single superphosphate.

We were pleased to hear that the importation of phosphate rock from Nauru will soon recommence and that Vietnam is becoming a source of phosphate rock for Australia.

We note that your company mainly imports phosphate rock from independent countries which are free to trade in their own natural resources. The sole exception is the phosphate rock that you import from Western Sahara. For the reasons that I explained to you in my letter dated 13 December 2005 and the matters discussed at the meeting last week, it remains AWSA's position that your company should stop importing phosphate rock from Western Sahara until after the UN-sponsored referendum on self-determination for Western Sahara is held.

It was appreciated by all attending the meeting that we would need to continue the constructive discussion of ways of dealing with the problem of your company trading in the natural resources of the non-self-governing territory, Western Sahara. To that end I suggest another meeting with senior officers of your company, this time involving the representative of the Saharawi Republic in Australia, Kamal Fadel. Mr Fadel, who has recently brokered successful agreements with

eight British oil companies for oil exploration rights both onshore and offshore Western Sahara, is overseas at present, but is due to return to Australia soon. I will contact you to make another appointment when he returns.

As we all understood from the first meeting, it was the commencement of a dialogue between us aimed at bringing about a resolution of this issue that is ethical, upholds international law and respects the rights of the Saharawi people to their natural resources. Also, and importantly, our dialogue must take account of the interests of your company and of the benefit to both Australia and an independent Western Sahara, in trade between those countries.

Yours sincerely,

Nick O'Neill
AWSA President

(02) 9810 8603