



Fabchem China Limited

FOR IMMEDIATE RELEASE

UPDATE ON ACQUISITION of 29.9% BY DYNNO NOBEL

Singapore, 4th August 2008 – Fabchem China Limited (“Fabchem”) wishes to announce that the acquisition in 29.9% of Fabchem’s ordinary shares by Dynno Nobel Limited (“Dynno Nobel”) from Fortsmith Investments Limited and Fivestar Limited has been successfully completed.

The total consideration of S\$49 million comprises an upfront cash payment of S\$0.52 per share, and deferred payments of S\$0.05 per share conditional on Fabchem being granted an export licence and S\$0.13 per share conditional on Fabchem achieving specified financial performance hurdles in FY2008. Fabchem has satisfied each of these conditions.

Fabchem’s Chairman, Dr Lim Seck Yeow commented: “We have performed extremely well in FY2008 with net income growth of 42.9% to RMB 60 million. Underpinned by the increasing demand for energy globally, our commercial explosives devices are highly in demand. In China, we are currently focusing on the strategy of becoming one of the leading integrated commercial explosives Group with ownership in Ammonium Nitrate business as well as possible inclusion of commercial explosives businesses.

We are currently working closely with the two new appointees from Incitec Pivot Limited (“Incitec Pivot”), Mr Peter Neville Hogan and Mr Alan Grace, to explore the opportunities of our expansion plans in China through organic growth and acquisitions of suitable assets.”

In June 2008, Incitec Pivot acquired 100% of ordinary shares in Dynno Nobel. Please refer to press releases dated 5 June 2008 and 2 July 2008 for Fabchem’s strategic partnership with Dynno Nobel and the appointment of Mr Peter Neville Hogan and Mr Alan Grace to the board members of Fabchem.





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Incitec Pivot Limited

Incitec Pivot Limited (ASX - IPL), an ASX Top 100 company with market capitalization of more than A\$11.0 billion. The Australian-based chemicals company manufactures, markets and distributes a range of fertilizers, explosives and initiating systems to customers around the world. A leader in its chosen markets, the company holds a portfolio of recognized and trusted brands and is the number one supplier of fertilizers in Australia. Incitec Pivot Limited owns and operates 20 manufacturing plants in the USA, Canada, Australia and Mexico and has joint venture operations in Turkey, South Africa, Malaysia and China.

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About Fabchem China Limited (“Fabchem”)

Bloomberg: FABC SP

Headquartered in the Republic of Singapore, Fabchem is one of the leading manufacturers of initiation systems in China. These products are widely used in mining, infrastructure, and hydroelectric construction projects activities globally. Fabchem's products are sold in commodity booming economies including China, Australia and South Africa.

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