

Office of the Company Secretary

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ASX ANNOUNCEMENT – 26 AUGUST 2016

Satisfaction of conditions precedent under long term gas agreement for Phosphate Hill Fertiliser Manufacturing Plant

Incitec Pivot Limited (ASX:IPL) today announced that all conditions precedent have been satisfied under its long term gas supply agreement with Power and Water Corporation (**PWC**) for supply of gas to IPL's Phosphate Hill manufacturing plant. Accordingly the gas supply agreement which was entered into on 17 November 2015 is now unconditional.

As notified to the market in November 2015, the PWC gas supply agreement will restore competitively priced gas to Phosphate Hill and is expected to result in gas costs decreasing by approximately \$55 million per year as against the current cost.

Supply of gas under the agreement will commence on completion of the construction of the Northern Gas Pipeline (previously known as the North East Gas Interconnector) which will run from Tennant Creek to Mount Isa.

Daniella Pereira
Company Secretary

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