
Image: Exsa initiating systems facility, shock tube production line

ACQUISITION OF EXSA AND CAPITAL RAISING

19 FEBRUARY 2020

ORICA

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Contents

SECTION 1

TRANSACTION SUMMARY

Transaction overview

Acquisition of Exsa	• Orica (ASX: ORI) has signed an agreement with interests associated with Grupo Breca (**Breca**) to acquire all of its shares in Breca Soluciones de Voladura S.A.C., and its associates' shares[1] in Exsa S.A. (**Exsa**), together representing 83.5% of the total shares outstanding in EXSA S.A. (**Breca Shares**), payable in cash • Exsa is a Peruvian-based, leading manufacturer and distributor of industrial explosives listed on the Lima Stock Exchange (BVL: EXSAC1):(BVL: EXSAI1) • Strategic acquisition for Orica to consolidate our market position in Latin America and transform our Initiating Systems manufacturing capability • Acquisition price (on a debt free, cash free basis) of Exsa of US$203 million (~A$302 million[2])
Tender process and completion	• Completion of the acquisition of the Breca Shares is expected by May 2020[3] • Following the acquisition of the Breca Shares, Orica will then launch tender offers for the 16.5% of share capital held by minority shareholders after which Orica intends to delist Exsa[4] ◦ Strong acceptance expected from remaining minority shareholders[4]; process expected to conclude by end of CY20[5]

Capital raising	• Capital raising to fund the acquisition of Exsa, as well as provide Orica with greater balance sheet flexibility to support investment in Orica's core capital initiatives and growth engines:
	  ◦ Orica to raise A$500 million through a fully underwritten institutional placement (**Placement**)
	  ◦ Orica will also undertake a non-underwritten Share Purchase Plan (**SPP**) to eligible Orica Shareholders (up to an aggregate cap of A$100 million)

Financial impact	• The Exsa acquisition and Placement is expected to be EPS neutral in the first full year of ownership and EPS accretive thereafter
Outlook	• Orica reaffirms previous guidance for the 2020 financial year, provided in November 2019

[1] Orica does not have a direct contractual arrangement with these associates in respect of their Breca Shares. Please refer to the "Key Risks" in Appendix A for further details

[2] Calculated using USD/AUD = 0.6730 (17 February 2020)

[3] Completion is subject to a number of conditions precedent. Please refer to the "Key risks" in Appendix A for further details

[4] Refers to 16.5% of share capital of Exsa not held by Breca and its associates. Includes both voting and non-voting shares with separate procedures. There is no obligation on minority shareholders to accept Orica's tender offers. Please refer to the "Key Risks" in Appendix A for further details

[5] It is intended that the purchase price for these shares will be identical to that paid for the Breca Shares, subject to an independent valuation as required by the Peruvian market regulator, Superintendencia del Mercado de Valores. Orica will allocate appropriate administrative and management resources to manage any minority shareholders

Strategic acquisition in high growth region

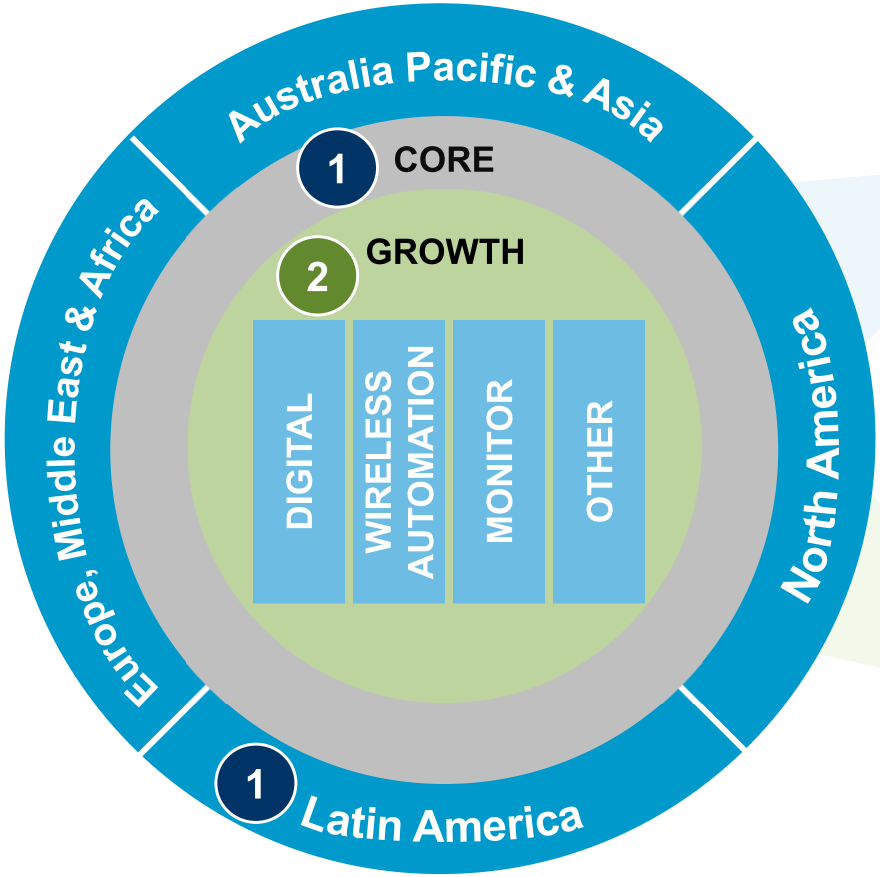
1 Orica is acquiring the #1 player in the Peruvian market	✓ Exsa currently has the largest share across open pit and underground markets in Peru, predominantly in gold and copper mining with material movement expected to grow at ~4% pa in Peru[1] ✓ Exsa offers a range of 27 products, from ANFO to Pentolite boosters and detonators supported by an efficient supply chain, comprehensive sales distribution network and well-placed assets ✓ Exsa has posted strong financial performance in FY19 with a statutory EBITDA of ~US$22 million (Orica estimated normalised EBITDA of ~US$18 million[2])
2 Orica will leverage Exsa's newly constructed, but under-utilised facility	✓ Exsa is currently commissioning a new, state of the art initiating systems manufacturing facility at Lurin, Peru ✓ This facility manufactures ~11 million caps per year for use in Exsa's Latin American business ✓ At existing capacity, Orica can produce ~55 million caps per year, with an estimated cost saving of ~US$12 cents per cap ✓ Further potential to increase capacity to ~70 million caps per year, driving further benefits including the ability to service Orica's demand across the Americas ✓ The Lurin facility integrates the manufacture of almost every component of a detonator on site, adding significant efficiencies to Orica's supply chain
3 Significant synergies – expected run rate of ~US$18 million per annum by the third full year of ownership	✓ **Material manufacturing synergies and reduced supply chain costs** from improving Exsa's supply chain and optimising the combined IS production • Includes a reduction in Exsa's component costs using Orica's network and lowering cap costs for the Americas (as detailed above) ✓ **Streamlined operational systems** from improving Exsa's systems and streamlining its structure ✓ **In addition, cross selling opportunities exist** from introducing Orica's technology and broader products and services to Exsa's customer base (not included in the US$18 million synergy benefits) ✓ Acquisition is expected to be fully completed by end of 2020 calendar year, with run rate synergies expected to be achieved by third full year of ownership, with approximately US$20 million capital expenditure required to deliver synergies. Integration team and governance structure to ensure successful integration
4 Value add transaction	✓ Attractive pro forma acquisition multiple of 7.0x FY19 EBITDA on a post synergy basis; 13.9x FY19 EBITDA on a pre synergy basis[3] ✓ Expected mid-teens RONA based on run rate synergies being achieved by the third full year of ownership
5 Consistent with Orica's strategic drivers	✓ Builds on Orica's foundation in Latin America, and strengthens Orica's global IS manufacturing footprint ✓ Adds to Orica's portfolio in serving gold and copper miners globally, increasing Orica's exposure to copper and gold

[1] Wood Mackenzie material movement (2019 June), Sales & Marketing Services for Mining (copper, gold and iron ore)

[2] After one-off adjustments and changes to accounting policy to conform with Orica practice

[3] Post synergy multiple includes US$18 million run rate synergies expected to be achieved by the third full year of ownership. Acquisition multiple adjusted to include an estimated US$53 million of IFRS16 lease liabilities acquired as part of the Exsa acquisition

Acquisition and capital raising supports Orica's core strategy and growth engines



1 CORE – Latin America

- Builds on strong footprint in Latin America
- Strengthens Latin America manufacturing footprint
- Enhances network capability and synergy realisation opportunities
- Strengthens exposure to copper and gold markets

2 GROWTH

- Opportunity to introduce Orica's technology and services to expanded customer base
- Supports existing suite of best-in-class products, with a strong pipeline
- Supports investment in Orica's core capital initiatives
- Greater balance sheet flexibility to pursue investment and acquisition opportunities to expand our mining technology platform

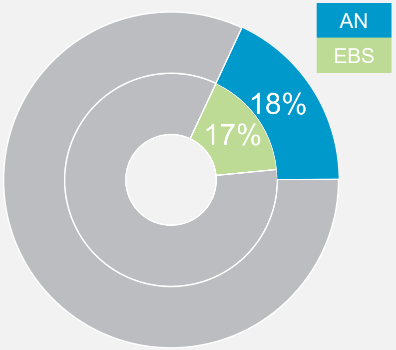
SECTION 2

EXSA ACQUISITION OVERVIEW

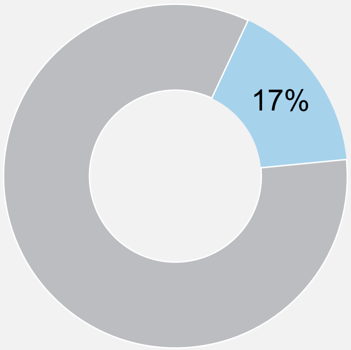
Orica already holds a significant position in the growing Latin American market

Latin America

Volume[1]
(as a % of total Orica)



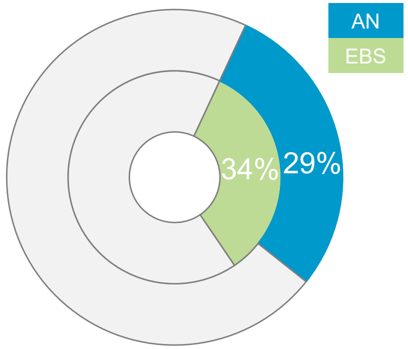
Revenue[1]
(as a % of total Orica)



[1] Based on FY19 results

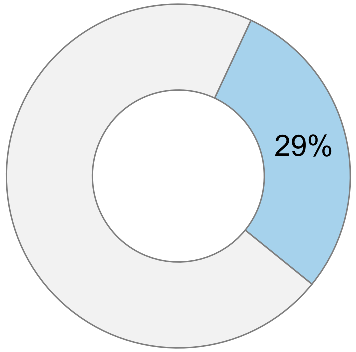
Peru

Volume[1]
(as a % of Orica Latin America)



- ✓ Strong technology portfolio for different customers needs (in a highly complex market with customers pro technology)
- ✓ AN sourcing flexibility (largest buyer in Peru)
- ✓ Integrated value propositions with GroundProbe

Revenue[1]
(as a % of Orica Latin America)



The acquisition of Exsa provides an opportunity to further consolidate this presence in the region

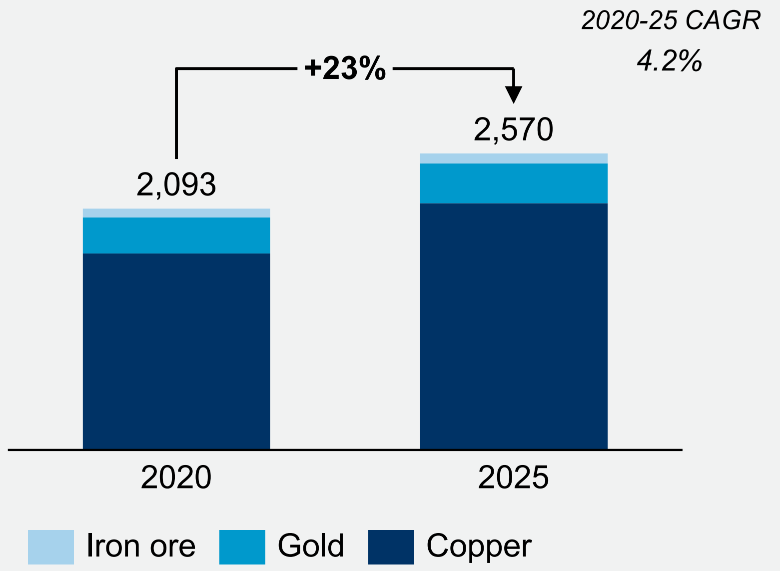
Peru is an attractive location, with material movement expected to grow at over 4% CAGR

Overview

- Peru has a wealth of mineral resources, with mining contributing ~10% of the country's GDP and 60% of Peru's exports[1]
- One of the top ten mineral rich countries in the world
- Holds a large percentage of the world's known reserves[2]:
  - Silver ~22%
  - Copper ~13%
  - Lead ~9%
  - Zinc ~8%
  - Tin ~6%
  - Gold ~4%
- Has over 200 operating mines and draws large foreign investment from China, US, Canada and Australia[3]
- Low sovereign risk to international investors with supportive investment and mining laws

Total forecast material movement (Copper, Gold, Iron Ore)
(2020-2025 million tonnes)

Peru Copper, Iron Ore and Gold material moved to grow at >4% CAGR



Source: Wood Mackenzie material movement (2019 June), Sales & Marketing Services for Mining Suppliers "Overview of Peru's Mining Industry"

[1],[2],[3] Peru mining & metals investment 2019/2020 – Ernst & Young

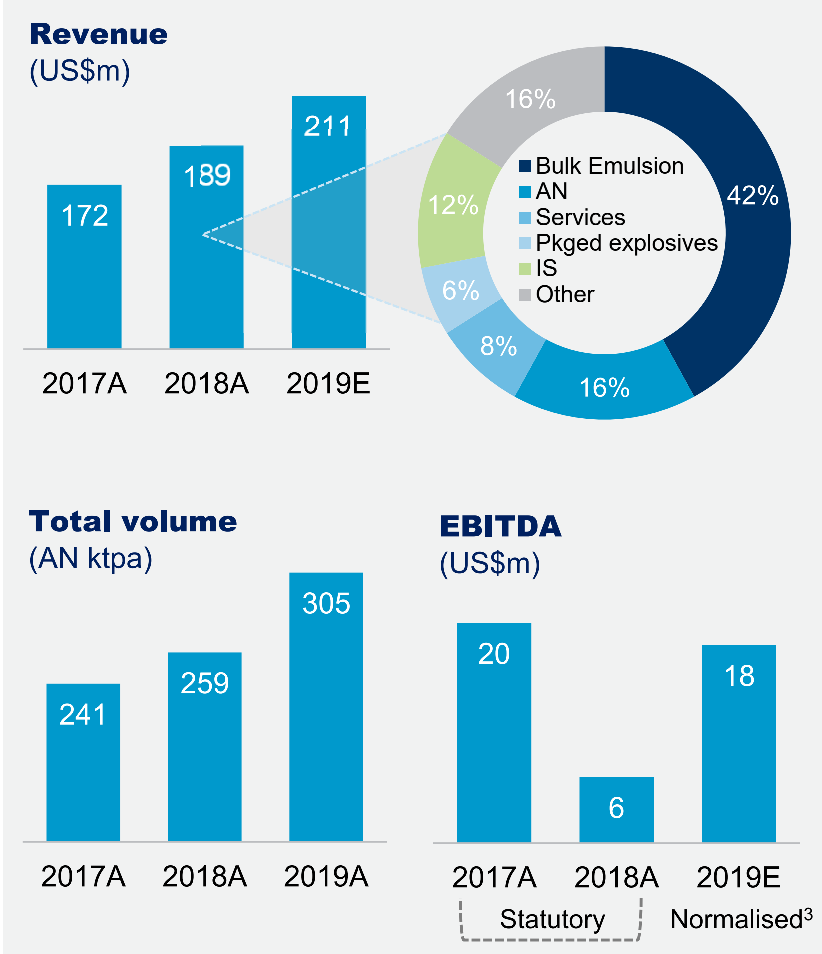
Acquisition of Exsa strengthens Orica's existing footprint in Latin America

Key highlights

- Exsa is the clear market-leading producer and distributor of industrial explosives in Peru, providing technical assistance and support to mining and infrastructure industries
- Significant share in Peruvian underground and open pit markets
- Leveraged to gold and copper mining operations, both with strong fundamental outlooks; generated ~85% revenue in FY18
- Offers a range of 27 products, from ANFO to Pentolite boosters and detonators
- Efficient supply chain, comprehensive sales distribution network and well-placed assets
- Constructed and now commissioning a state-of-the-art initiating systems facility ("Nazca") in Lurin, Peru, under a long-term lease
- Strong focus on safety

Valuation

- Acquisition price: US$203 million[1] (debt free, cash free basis)
- Attractive FY19 EBITDA acquisition multiple of 7.0x on a post synergy basis and 13.9x on a pre synergy basis[2]
- The acquisition and Placement is expected to be EPS neutral in the first full year of ownership and EPS accretive thereafter



Source: Exsa management accounts and Statutory Financial Reports

[1] US$203 million implied for 100% Enterprise Value (A$302 million)
[2] Post synergy multiple includes US$18 million run rate synergies expected to be achieved by the third full year of ownership. Acquisition multiple adjusted to include an estimated US$53 million of IFRS16 lease liabilities acquired as part of the Exsa acquisition
[3] Reported on a post IFRS16 basis, after adjusting for one offs and changes to accounting policy to conform with Orica practice

Exsa's operations are anchored by one of the world's most advanced initiating systems facilities

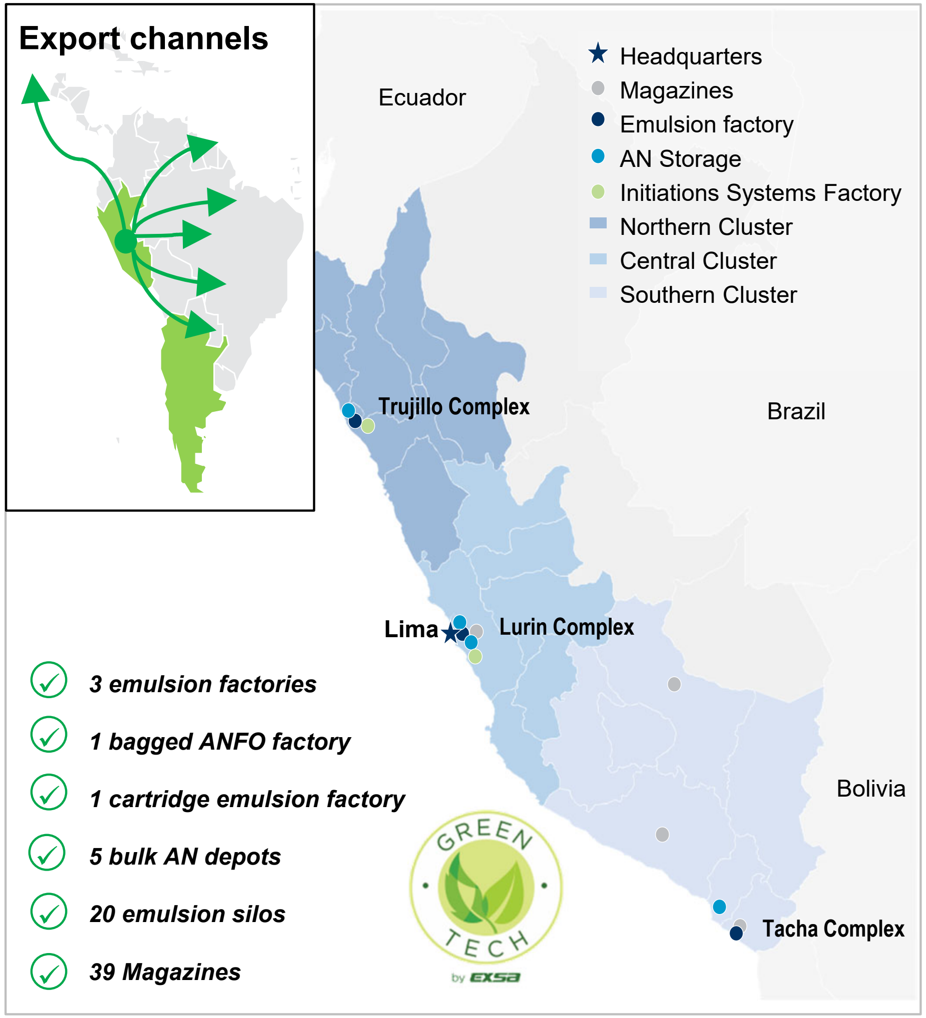
Overview

- Located in Lurin, Peru, Nazca is a new initiation systems factory and is one of the most modern plants in Latin America
- Currently in ramp-up, the plant will allow Exsa to manufacture in-house most of the initiation systems it commercialises
- Nazca has initiation systems production lines manufacturing fuses, shock tube, Pentolite boosters, detonating cord and non electric detonators
- Built using innovative technology ("Green Tech") which avoids the use of Lead Azide in caps and detonators

Global network support

- Leveraging the state-of-the-art Lurin facility, Exsa can unlock a simplified Americas network without greenfield cost and risk
- Orica will now in-source a number of key components that we currently supply through third parties
- Bulk AN logistics capability would be additive to Orica's existing bagged AN capability

Overview of Exsa operations



- *3 emulsion factories*
- *1 bagged ANFO factory*
- *1 cartridge emulsion factory*
- *5 bulk AN depots*
- *20 emulsion silos*
- *39 Magazines*

Orica plans to use its broader network to utilise the latent capacity at the new Lurin facility and across Peru

1 Caps

Full production	55m units pa
Current output[1]	11m units pa
Synergy potential	High

2 Non Electric Detonators

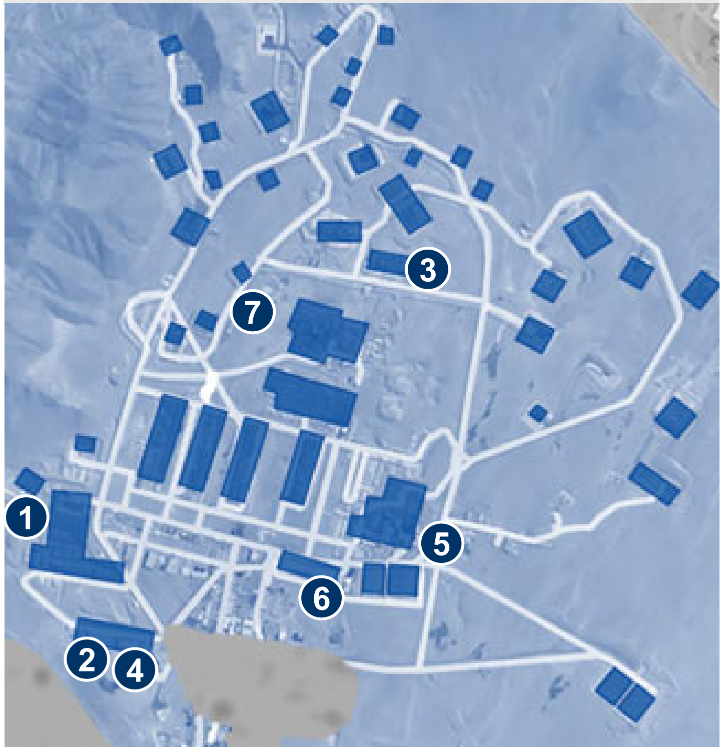
Full production	18m units pa
Current output[1]	6.9m units pa
Synergy potential	High

3 Boosters

Full production	1.8m units pa
Current output[1]	0.6m units pa
Synergy potential	Medium to High

[1] Numbers shown are last 12 months to July 2019

Layout of Exsa's Nazca facility Lurin, Peru



Source: Seller data and Orica assessment

4 Shock Tube

Full production	145m metres pa
Current output[1]	11.4m metres pa
Synergy potential	Low

5 Packaged Emulsion

Full production	18kt pa
Current output[1]	8kt pa
Synergy potential	High

6 Bulk AN (whole of Peru)

High synergy potential – bag to bulk

7 Bulk Emulsion (whole of Peru)

Full production	401kt pa
Current output[1]	191kt pa
Synergy potential	Low - Medium

Cap facility is a key driver of synergies, with estimated costs saving of ~US$ 12 cents per cap, and potential to expand capacity to ~70m units per annum for ~US$6m in capital expenditure

Significant synergies available by combining Orica and Exsa's operations

By the third full year of ownership we expect to achieve ~US$18 million run rate synergies, with approximately US$20 million capital expenditure requirement

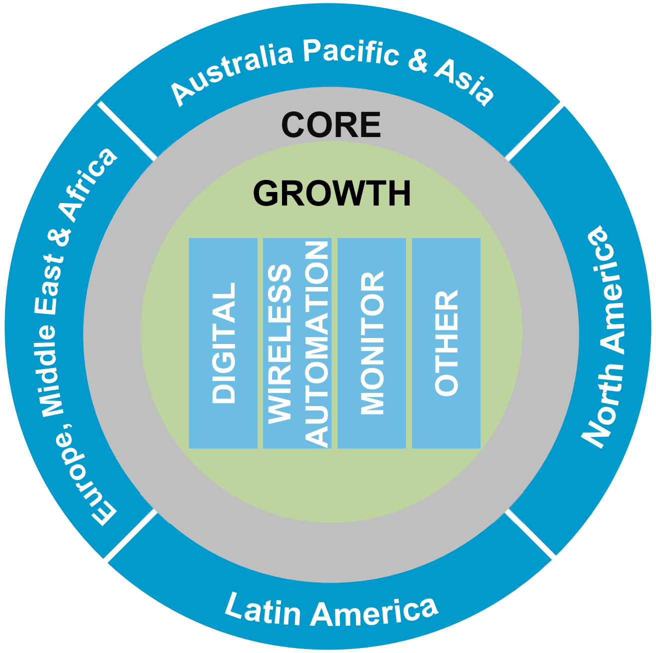
~75%	Material manufacturing synergies and reduced supply chain costs	**Material manufacturing synergies** • Network savings from latent capacity in the fully-integrated IS manufacturing facility at Nazca — Material savings in caps and NEDs — Savings across assembly lines as a result of improved efficiencies at the modern Lurin facility • Access to a packaged emulsion manufacturing site to replace third party volumes, materially reducing packaged emulsion supply costs across Latin America • Consolidation of Orica and Exsa's Central Peru ANE operations • Material savings expected as a result of increased efficiencies across Orica's Latin America business that can be realised at the Lurin site as a result of operational synergies at the site **Reduced supply chain costs** • Optimisation of AN supply chain, including access to bulk import facilities • Insourcing of current Orica third party volumes for various IS products
~25%	Streamlined operational systems	• Streamlining duplicated corporate functions • Reduced information systems costs from Orica corporate systems

In addition, further potential upside from upsell and cross selling opportunities from introducing Orica's technology and broader products and services to Exsa's customer base

SECTION 3

GROWTH STRATEGY AND OUTLOOK

Continuously assessing growth opportunities in our core capital and high growth engines



OPPORTUNITIES FOR GROWTH	RECENT EXAMPLES
Mergers and acquisitions supporting existing core markets	EXSA Soluciones Exactas
Expansion of existing products into new applications and commodities	WebGen Wireless Electronic Blasting Systems (Surface applications)
Optimise existing products	WebGen Wireless Electronic Blasting Systems Next generation WebGen™ 200
New product development in both ore extraction and monitoring & measurement	BLAST IQ Bulkmaster 7
Bolt-on of additional technology capabilities	GroundProbe
Capital investment and operational upgrades	SAP project SKU rationalisation

We will continue to take a disciplined approach to assessing opportunities in our core capital initiatives and growth engines, where the asset base, market dynamics and financial returns justify further investment

FY20 guidance

Following the recent cyclone in Karratha, Western Australia, the Burrup TAN plant start-up has been delayed from the beginning to the end of April 2020.

All other key assumptions for the 2020 financial year remain unchanged as disclosed on 1 November 2019.[1]

Higher EBIT underpinned by technology, increased demand and mix across all regions, with earnings skewed to the second half of the year	
Operations	• AN product volumes expected to be ~5% higher than the 2019 financial year from already secured contracts and growth • Contribution from new advanced product & service contracts, and services margin growth led by targeted initiatives • Further improvements in GroundProbe™ and Minova • Increased operating expenditure relating to the implementation of the SAP project, offset by further overhead reduction • Following acquisition completion by May 2020, FY20 EBIT impact from Exsa expected to be neutral after taking transaction costs into account
Burrup TAN plant	• Positive EBIT contribution in the second half and subsequent years
Other	• Capital expenditure expected to be A$370 - A$390 million in the 2020 financial year (excluding Burrup and Exsa) with a continued focus on growth capital and plant reliability • Depreciation and amortisation expense to be ~15% higher than 2019 financial year from Burrup and the SAP project (excluding the impact of reclassifications from IFRS 16 Leases[2]) • Increase in trade working capital driven by higher activity, temporary inventory increases and standardised payment terms

[1] Subject to no material changes to market, economic or regulatory environments.
[2] Additional depreciation expense will offset a reduction in operating lease expenses.

SECTION 4

CAPITAL RAISING OVERVIEW

Institutional Placement and Share Purchase Plan

Placement size and structure	• Fully underwritten institutional placement to eligible institutional investors to raise approximately A$500 million • Approximately 23.6 million New Shares to be issued, equivalent to 6.2% of total Orica shares currently on issue
Placement pricing	• The Placement will be conducted at A$21.19 per New Share (**Placement Price**), which represents: — 5.0% discount to the last traded price of A$22.31 on 18 February 2020 — 5.4% discount to the 5-day Volume Weighted Average Price (**VWAP**) of A$22.40 on 18 February 2020
Ranking	• New Shares issued via the Placement and Share Purchase Plan (**SPP**) will rank equally with existing Orica shares from respective issue dates • New Shares issued via the Placement and SPP will be entitled to the dividend for the 6 months ending 31 March 2020
Underwriting	• The Placement is fully underwritten by Goldman Sachs Australia Pty Ltd • The SPP is not underwritten
Share purchase plan	• Non-underwritten SPP offered to existing eligible shareholders[1] • Eligible shareholders in Australia and New Zealand will be invited to apply for up to A$30,000 of New Shares free of any brokerage, commission and transaction costs • The price for the SPP will be the lower of the Placement Price and a 2% discount to the 5 day VWAP of Orica shares up to, and including, the closing date of the SPP • Subject to an aggregate cap of A$100 million

[1] Being shareholders with registered addresses in Australia or New Zealand on Orica's share register at 7:00pm (AEDT) on 18 February 2020

Sources and uses[1,2]

Sources	A$m
Gross proceeds from Placement	500
Total sources of funds	**500**

Uses	A$m
Acquisition of Exsa	302
Exsa synergy capital requirements	29
Acquisition and capital raising costs	18
Balance sheet flexibility and future growth investment	151
Total uses of funds	**500**

Any proceeds under the non-underwritten SPP will provide Orica with increased balance sheet flexibility to support investment in Orica's core capital initiatives and growth engines

[1] Excludes any impact of the SPP which could raise up to A$100 million
[2] Calculated using AUD/USD = 0.673 (17 February 2020)

Pro forma balance sheet

- ***Improvement in credit metrics with gearing at the lower end of target range***
- ***Capital raising provides greater balance sheet flexibility to support investment in Orica's core capital initiatives and growth engines***

A$m	Orica as at 30 Sept 2019 (Post IFRS 16)	Placement[2]	Exsa acquisition[3]	Pro forma combined group as at 30 Sept 2019
Cash & cash equivalents	412.6	500.0	(301.6)	611.0
Right of use asset	250.5	-	77.4[1]	327.9
Plant & Equipment	2,899.6	-	214.8	3,116.1
Goodwill	1,189.2		3.9	1,193.0
Intangibles	500.4	-	4.1	504.5
Other assets	2,292.2	-	150.1	2,442.3
Total assets	**7,544.5**	**500.0**	**148.8**	**8,193.3**
Interest bearing loans	2,033.2	-	-	2,033.2
Lease liabilities	254.4	-	77.4[1]	331.8
Other liabilities	2,235.4	-	40.7	2,276.1
Total liabilities	**4,523.0**	**-**	**118.1**	**4,641.1**
Shareholders' equity	2,138.0	500.0	30.8	2,668.8
Retained earnings and other	883.5	-	-	883.5
Equity	**3,021.5**	**500.0**	**30.8**	**3,552.3**
Net debt	**1,875.0**	**500.0**	**379.0**	**1,754.0**
Gearing	**38.3%**			**33.1%**

[1] Relates the operating lease for the Lurin site entered into as part of the transaction
[2] Excludes any impact of the SPP which could raise up to A$100 million as well as any transaction costs directly attributable to the Placement
[3] The Exsa Acquisition balance sheet information is derived from the Exsa Accounts as at 31 December 2019. This excludes any potential impact of fair value accounting adjustments that may be required under IFRS 3

Placement and SPP timetable

Description	Date[1]
Record date for SPP	7.00pm (Melbourne time), 18 February 2020
Trading halt and announcement of Acquisition, Placement and SPP	19 February 2020
Placement bookbuild	19 February 2020
Trading halt lifted – trading resumes on the ASX	20 February 2020
Settlement of New Shares issued under the Placement	24 February 2020
Issue and commencement of trading of New Shares issued under the Placement	25 February 2020
SPP offer opens and SPP booklet is dispatched	26 February 2020
SPP offer closing date	5.00pm (Melbourne time), 17 March 2020
SPP allotment date	24 March 2020
Despatch of holding statements and normal trading of New Shares issued under the SPP	25 March 2020

[1] All dates and times are indicative only and are subject to change

SECTION 5

LOOKING FORWARD

Solid platform in place to deliver superior returns with disciplined approach to growth investment

Continued profitable growth

BURRUP

Fully operational in FY21

TECHNOLOGY

Strong penetration of new technology propositions translating to EBIT

SAP PROJECT

Full implementation of ERP system (single SAP system) driving efficiencies and improved information

OPERATING EFFICIENCY

Continued focus on manufacturing reliability and SKU rationalisation

Exsa acquisition enhances supply chain and strengthens manufacturing operations in Latin America

CONTRACT PIPELINE

Further volume growth and strong contract renewal pipeline from FY22

APPENDIX A

KEY RISKS

Key risks

Overview

This section discusses some of the key risks associated with any investment in Orica, which may affect the value of Orica shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Orica. Before investing in Orica, you should be aware that an investment in Orica has a number of risks, some of which are specific to Orica and some of which relate to listed securities generally, and many of which are beyond the control of Orica.

Before investing in New Shares, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Orica (such as that available on the websites of Orica and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

Risks relating to the Acquisition

Orica has undertaken due diligence in relation to Exsa including on information provided to it by Exsa	Orica undertook a due diligence process in respect of Exsa, which relied in part on the review of financial and other information (including unaudited financial information) concerning the business and corporate structure of Exsa, which was provided to Orica by Exsa. Despite making reasonable efforts, Orica has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, Orica has prepared (and made assumptions in the preparation of) the financial information relating to Exsa (on a stand-alone basis and also with Orica post-Acquisition of Exsa) included in this Presentation from financial and other information (including unaudited financial information) provided by Exsa. Orica is unable to verify the accuracy, reliability or completeness of all of this information. If any of the data or information provided to and relied upon by Orica in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Exsa and the combined group may be materially different to the financial position and performance expected by Orica and reflected in this Presentation. Furthermore, there is a risk that due diligence conducted has not identified issues that would have been material to the decision to enter into the Acquisition. A material adverse issue that was not identified prior to entry into the Acquisition could have an adverse impact on the financial performance or operations of Orica. As is usual in the conduct of acquisitions, the due diligence process undertaken by Orica identified a number of risks associated with Exsa, which Orica had to evaluate and manage. The mechanisms used by Orica to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by Orica may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated or unforeseen, and hence they may have a material adverse impact on Orica's operations, earnings and financial position.
Exsa's future earnings may not be as expected	Orica has undertaken financial and business analysis of Exsa in order to determine its attractiveness to Orica and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by Orica, draw conclusions and forecasts that are inaccurate or which will not be realised in due course. To the extent that the actual results achieved by Exsa are different than those anticipated, or any unforeseen difficulties emerge in integrating the operations of Exsa there is a risk that the profitability and future earnings of the operations of Orica may differ (including in a materially adverse way) from the performance as described in this Presentation.

Key risks (cont'd)

The acquisition of the Breca Shares may not complete or be delayed, and Orica may not acquire all of the Breca Shares	Completion of the acquisition of the Breca Shares (as described on slide 6) is conditional on certain matters: including (a) all representations and warranties of each of Orica and Exsa are true and accurate on the closing date; (b) Orica has received the preliminary closing memorandum from Exsa that includes financial information such as the preliminary working capital adjustment; (c) within three months of execution, all pre-closing transactions are completed, which includes Exsa entering into a long term lease of the Lurin premises (which is the property on which Exsa's largely automated Nazca initiating systems facility is located); and (d) there being no material adverse change in Exsa. If any of the conditions precedent are not satisfied or waived or take longer than anticipated to satisfy, completion of the Acquisition may be deferred or delayed, or may not occur on the current terms or at all. There is no guarantee that Orica will obtain all necessary approvals to complete the Acquisition within any particular timeframe, or at all, or that such approvals will be granted on terms that are acceptable to Orica or on an unconditional basis. Orica is transacting with Exsa's largest shareholders, who have agreed to transfer not only their own shares in Exsa (being 71.9% of the total number of common and investment class shares in Exsa), but also to procure the transfer of shares in Exsa held by their associates (being 11.6% of the total number of common and investment class shares in Exsa). Orica does not have a direct contractual arrangement with those associates in respect of their Exsa shares and therefore there is no guarantee that the shares of the associates will be acquired by Orica. If any of the Exsa shares held by the associates are not transferred to Orica, completion of all of the Breca shares will not occur. If the Acquisition is not completed as a result of a failure to satisfy conditions (or otherwise) or Orica acquires less than 100% of Exsa, Orica will need to consider alternative uses for the relevant portion of the proceeds of the Placement and SPP, or ways to return some or all of the proceeds to shareholders. If completion of the Acquisition is delayed, Orica may incur additional costs and it may take longer than anticipated for Orica to realise the benefits of the Acquisition (including the synergies described in this Presentation). Any failure to complete, or delay in completing, the Acquisition and/or any action required to be taken to return capital raised to shareholders may have an adverse effect on Orica's financial position and performance.
Orica may not acquire 100% of Exsa	Exsa's share capital comprises both common shares and investment shares. At the completion of the acquisition of the Breca Shares (as described on slide 6), Orica expects that it will hold 83.5% of the total shares outstanding in Exsa, comprising 98.3% of the common shares in Exsa and 53.8% of the investment shares in Exsa. Laws governing the compulsory acquisition of minority shareholder interests (or 'mop up' laws) do not exist in Peru. Therefore, despite the tender offers for the remaining 16.5% of the share capital of Exsa not held by Breca and its associates that Orica will make, Exsa's minority shareholders may decide to retain their interest in Exsa. Following with the acquisition of the Breca Shares, Orica will have the ability to de-list all classes of shares and remove them from public trading, and intends to do so. The rights of shareholders of common shares in a Peruvian entity include: receipt of dividends; participating and voting in general or special shareholders' meetings (the latter, applicable only when there are differentiated classes of "ordinary" shares); supervising the management of Exsa as prescribed by its by-laws; exercising the right of first refusal in a subscription process in the event of a capital increase and other cases of offerings of shares; exercising put options as per Exsa's by-laws or at law in the event of triggering the separation right (derecho de separación); challenging certain corporate agreements; requesting the board or general meeting of Exsa to remove a director who has an actual or apparent conflict of interest with Exsa; requesting a notary/judicial notice to summon an annual shareholders' meeting; obtaining information and documentation for agenda items at general meetings; and obtaining financial information once an annual mandatory meeting is called.

Key risks (cont'd)

Orica may not acquire 100% of Exsa (contd)	Voting rights are not attached to investment shares. The rights of shareholders of investments shares in a Peruvian entity exclusively relate to the right to receive dividends; maintain their existing proportion of investment shares if there is a share capital increase; redeem the investment shares at law; increase their investment shares by capitalisation of equity accounts and participate in any equity distribution on liquidation proportionally. If Orica completes the acquisition of the Breca Shares but does not acquire 100% of Exsa, there will be ongoing minority shareholders with common shares and/or investment shares (with the respective rights attached to each class of share) in Exsa, which Orica will need to manage. The continued presence of minorities is not expected to materially impact Orica's ability to realise the expected benefits of the Acquisition outlined in this Presentation (including any synergies). However, this may require Orica to dedicate additional administrative and management time and cost.
Orica may not successfully integrate Exsa	The integration of a business of the size and nature of Exsa carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations. The success of the Acquisition, and the ability to realise the expected benefits of the Acquisition outlined in this Presentation (including any synergies), is dependent on the effective and timely integration of Exsa's business alongside Orica's business following completion of the Acquisition. A failure to fully integrate the operations of Exsa, or a delay in the integration process, could impose unexpected costs or prevent the realisation of benefits that may adversely affect the financial performance and position of Orica.
Orica will assume Exsa's historical liabilities	Following completion of the Acquisition, Orica will be responsible for any outstanding liabilities that Exsa has incurred prior to the Acquisition, including any liabilities that were not identified during Orica's due diligence or which are greater than expected, for which insurance may not be available, and for which Orica may not have post-Acquisition recourse under the agreement for the Acquisition and which may result in Orica being liable for fines and penalties or subject to other sanctions. Such liabilities could include liabilities relating to current or future litigation or other proceedings, failure by Exsa to hold required regulatory approvals, authorisations or licences, regulatory actions (including without limitation in relation to any such failure), health and safety claims, warranty or performance claims, liabilities relating to deferred consideration payable under acquisition agreements previously entered into by Exsa, historical tax liabilities and other liabilities. Exsa's manufacturing sites have been in operation for several decades. While there is no known obligation to remediate any site, there is a risk that this may be required in future. Orica will undertake an assessment of site conditions post-completion. If, in future, there is an obligation to undertake environmental remediation under Peruvian law, risks will be shared between Orica and Breca. Historical liabilities may adversely affect the financial performance or position of Exsa and even put at risk Exsa's capacity to carry on its business, either at all or in one or more of the geographic regions in which it currently operates, and may be more costly than expected to remedy.

Key risks (cont'd)

The financial capacity of, and recourse to, the vendors of Exsa may be limited and there is counterparty and contractual risk	The ability of Orica to achieve its stated objectives will depend on the performance by the parties of their obligations under the agreements for, and related to, the Acquisition. If any party defaults in the performance of their obligations, it may be necessary for Orica to approach a court to seek a legal remedy, which can be expensive and time consuming. Furthermore, if a warranty, indemnity or other claim was made by Orica against Breca under the agreement for the Acquisition, there is a risk that such claim may be contested or that funds may not be available to meet the claim in its entirety despite Breca's obligations being guaranteed under the agreement. Further, there can be no guarantee as to the on-going financial capacity of Breca. Any inability to recover amounts claimed under the agreement for the Acquisition could adversely affect Orica's financial position and performance.
Arrangement with Exsa's key suppliers and customers	The Acquisition may trigger change of control provisions in some material contracts to which Exsa is a party. If triggered, the change of control provision will, in most cases, require Orica to seek the counterparty's consent under the contract in relation to the Acquisition. There is a risk that a counterparty may not provide its consent to the Acquisition, which may trigger a termination right under the contract in favour of that counterparty or that the counterparty may require a payment from Orica or renegotiation of terms to obtain such consent. The existence of termination for convenience rights, or change of control provisions which may trigger new tender rights, in supplier and customer contracts is consistent with market practice in Peru. There can be no assurance that Orica would be able to renegotiate on commercially reasonable terms, if at all. If any material contracts are terminated by the counterparty or renegotiated on less favourable terms, it may have an adverse impact on Orica's financial performance and prospects. Additionally, as a result of the Acquisition, clients of Exsa that are not bound by a contract or that have rights to terminate for convenience, may elect to terminate their relationship with Exsa. If any material clients terminate their relationship with Exsa, it may have an adverse impact on Orica's financial performance and prospects.
Acquisition accounting	Orica is required to undertake an assessment of the fair value of the tangible and intangible assets acquired as well as the actual and contingent liabilities of Exsa at the date of the Acquisition. Accounting standards provide twelve months from completion for this assessment to be finalised. The outcome of this assessment could give rise to different values being applied than those used in the pro forma financial information contained in this Presentation. Such an outcome will impact the values of assets and liabilities reported in the consolidated balance sheet by Orica. There will also be differences in the depreciation and amortisation charges recognised in the consolidated profit or loss account which may impact reported profit before tax and net profit after tax.

Key risks (cont'd)

Risks relating to Orica and its business

While the risks set out in this section are stated to relate to Orica and its business, investors should consider that these risks will also apply to Exsa and its business, which Orica will own following completion of the Acquisition.

Orica, its personnel and other third parties are exposed to hazards associated with its products	Orica manufactures a number of hazardous materials, including ammonium nitrate, which is used to produce explosives and is subject to the risk of explosion. For several of Orica's manufacturing facilities, the exposure to surrounding communities is elevated due to urban encroachment. There are hazards associated with Orica's manufacturing facilities and the related storage and transportation of raw materials, products and wastes. These hazards include: pipeline and storage tank leaks and ruptures; explosions and fires; mechanical failures; chemical spills and other discharges or releases of toxic or hazardous substances or gases. These hazards may cause personal injury and/or loss of life to Orica's personnel, suppliers, customers or other third parties (including surrounding communities), and/or damage to property and contamination of the environment, and this may result in the suspension of operations and the imposition of civil or criminal penalties, including fines, expenses for remediation, and claims brought by governmental entities or third parties (including surrounding communities). Although Orica maintains property, business interruption and workers' compensation and employers' liability insurance of the types and in the amounts that it considers is customary for its industry, Orica is not fully insured against all potential hazards associated with its facilities and there can be no assurance that such hazards and risks will not impact Orica's operations, personnel and other third parties (including surrounding communities).
The security of Orica's products may be compromised	Orica is exposed to the risk that the security of its products at its manufacturing sites and within the supply chain (including during the transportation of raw materials and finished products) may be compromised, either unintentionally or as a result of malicious attacks. Furthermore, Orica's products may be inadvertently supplied to a party who uses the products for illegal activity, such as the production of improvised explosive devices. While Orica has introduced a number of measures to help address this risk (such as restricted site access and electronic security systems), there is no guarantee that any of the measures that Orica has introduced to help ensure the security of its products will be entirely effective. If the security of Orica's products are compromised, its products may be used for unintended or illegal purposes, which may expose Orica to regulatory scrutiny (such as fines or other regulatory actions), cause harm to Orica's reputation and adversely impact Orica's financial performance.
Orica is subject to costs and liabilities related to environmental laws, regulations and standards	Orica is subject to a broad range of environmental laws, regulations and standards in each of the jurisdictions it operates, including those that impose limitations on the discharge of pollutants and contaminants to the air, ground, water bodies and public sewerage systems and establish standards for the treatment, storage and disposal of certain materials and substances. Compliance with these laws, regulations and standards requires significant expenditure of financial and employee resources. In addition, changes to such laws, regulations and standards are made or proposed regularly, and some of the proposals, if adopted, might directly or indirectly, limit or force Orica to change the way it provides its products or services. For example, increased regulation of emissions linked to climate change, including greenhouse gas emissions and other climate-related regulations, could potentially increase the cost of Orica's operations due to increased costs of compliance and the adoption of new technologies and sources of energy, as well as impact the operations of Orica's customers. Further, laws, regulations and standards relating to air, ground and water quality, handling, discharge, storage and disposal of waste products are also significant factors in Orica's business and changes to such requirements generally result in an increase to Orica's costs of operations.

Key risks (cont'd)

Orica is subject to costs and liabilities related to environmental laws, regulations and standards (contd)	Orica has incurred in the past, and may incur in the future, fines, penalties and legal and other costs relating to infringements of environmental laws, regulations and standards. For example, Orica may be found to have liability for the costs of remediating soil or water that is, or was, contaminated by Orica or a third party at a site owned, used or operated by Orica (including a site that may be acquired by Orica in the future and sites formerly owned or occupied by Orica), as well as soil or water surrounding or nearby Orica's sites which may impact the health of surrounding communities. In these circumstances, regulatory action or legal proceedings may result in the imposition of fines or penalties, as well as mandated remediation programs, that require substantial, and in some instances, unplanned expenditure. Breach of environmental laws, regulations and standards may also expose Orica to claims or legal proceedings brought by individuals or communities who suffer injury or damage, the revocation or suspension of a permit or license, the suspension or cessation of operations and cause significant damage to Orica's reputation. Provisions for expenses that may be incurred in complying with such environmental laws, regulations and standards are set aside if the obligation for environmental investigations or remediation measures are probable and the costs can be reliably estimated. For sites where there are uncertainties with respect to what Orica's remediation obligations might be, what remediation techniques might be adopted and effective and a reliable estimate of remediation costs cannot be made, no amounts have been provided for. Where environmental provisions are created, there are many factors that can lead to review and potential increases to provisions as investigation and remediation progresses, including discoveries of additional contamination; re-assessment of contamination risk; changes to laws, regulations, standards and their interpretations; and involvement of third parties. The adequacy of provisions is re-assessed on a regular basis as required by accounting standards.
Orica may face increased cost of, or disruption to, its supply chain and operations	Any adverse change in Orica's ability to procure raw materials (in particular gas, ammonia and ammonium nitrate) required to manufacture its products, a material increase in the cost of raw materials or any increase in indirect production input costs of such raw materials (such as freight and gas), would result in an increase in Orica's overall manufacture and supply costs. If Orica is unable to pass on such cost increases to its customers, Orica's profitability may be adversely impacted. Furthermore, Orica's supply chain or operations more broadly may be interrupted or delayed, including as a result of periods of diplomatic disruption to international trade, adverse weather conditions (such as rain, floods and other environmental challenges), natural disasters, pandemic, epidemic, industrial action by employees, government imposed restrictions, delays in obtaining equipment and supplies and the failure, breakdown or unavailability of equipment (particularly where equipment or mines are located in remote areas with limited infrastructure support). If operations are interrupted or suspended for a prolonged period as a result of any such events, Orica's supply and customer relationships may be damaged and revenues could be adversely affected.
Orica's material supply and customer contracts may be breached, terminated, not renewed or renewed on less favourable terms	Orica has a number of major supply contracts for products and raw materials (in particular for single source materials, ammonia and gas), which are due to expire over the short and medium term. If Orica is not able to renew these contracts or negotiate new contracts with alternate suppliers on terms that are no less favourable than the current contracts, this may have an adverse impact on Orica's earnings. (cont'd over page)

Key risks (cont'd)

Orica's material supply and customer contracts may be breached, terminated, not renewed or renewed on less favourable terms (contd)	Furthermore, there can be no guarantee that key customers will continue to purchase the same or similar quantities of Orica's products as they have historically. Also, key customer contracts may be terminated by customers, not renewed or renewed on less favourable terms including, if Orica does not adequately perform its obligations, and such failure to perform may be caused by various circumstances (including some outside of Orica's control), for example: accidents or unsafe conditions; equipment breakdowns; industrial relations issues; geological instability, including strong seismic activity, landslides, mudslides, rock falls, cave-ins, or conditions that threaten to result in such an event; prolonged heavy rainfall or cyclone; bushfires; scarcity of materials and equipment; global economy impact on commodity demand; pandemic; epidemic; and variations to reduce scope of works. Interruptions to existing operations or delays in commencing operations experienced by Orica's customers may result in lost revenue and, in some circumstances, result in Orica incurring additional costs, which may have a material adverse effect on Orica's business and financial condition. The loss of any of Orica's key customers or a significant reduction in the volume of products purchased by one or more key customers may adversely impact Orica's financial performance.
Orica may produce poor quality products	Orica may, from time to time, experience manufacturing defects or claims relating to alleged deficiencies in its products or services (both monitoring products / services and explosives). Defects in Orica's products could be difficult and/or costly to correct, cause significant customer relations and business reputation problems, cause safety risks or personal or property damage and result in claims or other action (such as termination of a customer contract) by customers. Orica may suffer loss as a result of claims for which it is not insured or coverage being denied in connection with a loss that exceeds Orica's insured limits. If any of those events were to occur, they may result in Orica losing market share and may adversely affect its sales and profitability.
Orica's operations may be impacted by manufacturing reliability	Orica has a number of manufacturing operations that supply key products globally. Plant operations may be interrupted, or the supply chain disrupted, for a sustained period due to a number of reasons including machinery or plant defects or breakdown, industrial relations disputes with employees or contractors, raw materials shortage and extreme weather events. This may limit Orica's manufacturing operations which in turn may impact Orica's ability to deliver products and services to its customers. If these circumstances arise, Orica's customer relationships and revenue may be adversely impacted. Interruptions to Orica's plant operations or supply chain may also cause Orica to incur unforeseen costs and expenses.
Orica's operations may be impacted by climate change	Orica's manufacturing and business activities generate greenhouse gas emissions and it supplies products and services to some customers exposed to the impact of climate change, including customers in the thermal coal sector. As the global economy decarbonises in response to evolving social, legal and regulatory requirements in various jurisdictions, and adopts new technologies and sources of energy, Orica is exposed to physical (extreme weather events) and transitional risks, including adverse shifts in commodity demand and customer mix. Such physical and transitional risks may require Orica to incur more expenditure than anticipated or reduce demand for Orica's existing products and services, which may in turn affect Orica's earnings. Further, government response to climate in different jurisdictions may result in costs to Orica's business either to reduce its emissions or through carbon pricing legislation. Extreme weather events may impact our production, supply chain or customer demand resulting in an adverse financial impact.

Key risks (cont'd)

Orica's operations may be impacted by legal and regulatory issues	Orica currently supplies into over 100 countries. Management of global operations is extremely complex, particularly given the often substantial differences in the cultural, political and regulatory environments of the countries where Orica operates and the requirement to comply with all relevant laws globally. Additionally, some of the counties in which Orica operates have underdeveloped or developing legal, regulatory and political systems, which are subject to dynamic change and civil unrest. Orica's ability to comply with regulatory requirements in the areas of occupational health and safety, environment and product security; competition; anti bribery; corruption; sanctions; and taxation is critical to retaining our licenses to operate and the strength of our balance sheet and financial performance. Given the nature of Orica's business products, its customer profile and the industry and jurisdictions in which it has business operations, compliance with relevant anti-bribery and corruption, money laundering and sanctions laws is a particular area of business risk. Any failure to comply with anti-bribery and corruption, money laundering and sanctions laws may have a material adverse effect on Orica. Accordingly, Orica is exposed to a range of risks relating to compliance with, changes to, or uncertainty in, the relevant political, legal and regulatory regimes in those jurisdictions. Changes to laws and regulations that apply to Orica in any of the jurisdictions in which Orica operates may have a material adverse effect on Orica's business, financial position and prospects, as well as reduce demand for Orica's products and services. Further, regulatory requirements in any of the jurisdictions in which Orica operates may become more burdensome in the future, which may result in Orica being required to dedicate more time, resources and expenditure to achieve compliance. If Orica's operations are found not to satisfy or to violate any applicable laws or regulations (including anti-bribery and corruption, sanctions, safety and environmental laws, and financial reporting and tax laws), Orica may be subject to regulatory and enforcement action, penalties, damages, fines, disruption to its operations and increased compliance costs. The reputation of Orica may also be adversely affected. Any regulatory and enforcement action, penalties, damages, fines, operational disruptions, increased compliance costs or damage to reputation, individually or together, could adversely affect Orica's ability to operate its business, and its financial position and results.
Orica may experience loss of data or an IT failure or disruption	Orica relies on IT software and service providers to support its business operations, including its manufacturing operations. Orica also holds sensitive employee and customer data, including such individuals' and entities' financial data. Orica's IT systems may be adversely affected by damage to computer equipment or network systems, equipment faults, power failures, computer viruses, cyber-attack from malicious third parties, misuse of systems or inadequate business continuity planning. Any failure of Orica's IT systems as a result of any of these factors may compromise Orica's data integrity, which may result in an inadvertent security breach in relation to such employee or customer data, or its manufacturing and supply systems and processes, which may in turn adversely affect Orica's reputation, business operations, and financial performance and profitability or expose Orica to third party liability. Orica is in the process of implementing a standard enterprise resource planning (**ERP**) system globally. ERP implementations are inherently difficult to deliver on time and budget. Therefore, there is a risk that completion of the project will fail, be delayed or incur costs in excess of those budgeted. In addition, the implementation of the ERP system will require appropriate and effective change management strategies to be implemented to avoid disruption to Orica's business or operations.

Key risks (cont'd)

Orica is exposed to risks as a result of being party to joint ventures	Orica has a number of joint venture partners in different jurisdictions. Each joint venture is subject to various arrangements including certain rights and obligations negotiated with each joint venture partner. Pursuant to such rights and obligations, Orica may be unable to control the actions of its joint venture partners and therefore cannot guarantee that the joint venture business will be operated or managed in accordance with Orica's preferred direction, strategy or governance processes or in accordance with laws and regulations. If a joint venture does not perform as Orica expects, Orica’s financial performance or reputation may be adversely impacted.
Orica may not achieve anticipated benefits from past acquisitions	Part of Orica’s business and growth strategy has historically included business acquisitions. The integration of any business carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations. The success of past acquisitions, and the ability to realise the expected benefits of such acquisitions, is dependent on the effective and timely integration alongside Orica's business. A failure to fully integrate any acquisition, for example as a result of the acquired business being misaligned with Orica’s objectives and strategy, a change in Orica’s strategic direction from that at the time of the acquisition or different organisational culture and behaviours within the acquired business, or a delay in the integration process, could impose unexpected costs that may adversely affect the financial performance and position of Orica. Orica’s past performance is not necessarily reflective of future performance.
Orica’s competitive position may deteriorate	Orica operates in highly competitive industries and has a broad range of competitors across its global operations. In the past, competitors have undertaken actions which would reduce Orica’s market share or earnings. Competitors may undertake similar actions in the future, including attempts, which may or may not be successful, to sell products and services to Orica’s customers in place of Orica.
Orica is exposed to the industries and customers it services	Demand for Orica’s services depends to a large extent on the level of production activity of Orica’s customers, which are predominantly in the mining and infrastructure industries. Orica’s financial performance will continue to be sensitive to the level of activity within these industries. The level of activity in some of these industries may be cyclical and sensitive to a number of factors, including the level of gross domestic product in the countries in which Orica operates, changes in costs, commodity prices, foreign currency movements, environmental issues and industry specific factors. Any significant decrease in the level of activity in the industries Orica services may have a material adverse impact on Orica’s revenue and financial performance. Orica is exposed to adverse changes in demand for the products and services of its customers and interruptions or delays to the operations and supply chains of its customers including as a result of any global response to climate change, adverse macro-economic factors, diplomatic disruption to international trade, adverse weather conditions (such as rain, floods and other environmental challenges), industrial actions by employees, government imposed restrictions, natural disasters, pandemic, epidemic and delays in customers obtaining equipment and supplies and the failure, breakdown or unavailability of customers’ equipment (particularly where equipment or mines are located in remote areas with limited infrastructure support). Any significant decrease in the level of activity in the industries Orica services, including as a result of a decrease in the demand for the products and services of Orica’s customers in those industries, may have a material adverse impact on Orica’s revenue and financial performance. Furthermore, new products or services that Orica produces may not meet sales or margin expectations, and therefore adversely impact Orica’s financial performance. Such expectations may fail to be met due to a range of factors, including Orica failing to accurately predict industry or customer demand or preferences or movements in industry standards, or failing to develop products that meet consumer demand in a timely and cost-effective manner.

Key risks (cont'd)

Orica may be affected by adverse commodity price movements	While Orica's business model is primarily dependent on mining volumes, rather than commodity prices, Orica has exposure to changes in commodity prices through the potential impact on its customers' operations. Adverse changes in commodity prices may make a customer's operations less profitable, or not profitable at all, and therefore reduce demand for Orica's products and services. There is no guarantee that Orica has identified, or will manage appropriately, future commodity price movements. Failure to do so may have a material impact on the operating and financial performance of Orica.
Orica may be affected by adverse foreign exchange rate movements	With supplies into more than 100 countries, Orica is exposed to movements in foreign exchange rates (such as the USD, CAD and MXN), both transactional and translational, the impact of which cannot be predicted reliably. The financial information in Orica's financial statements is presented in Australian dollars, while a significant proportion of Orica's revenue is currently transacted in other currencies. Similarly, some of Orica's expenses are incurred in these foreign currencies. The non-Australian dollar denominated sales and expenses are translated into Australian dollars for the purposes of presenting the consolidated Orica group financial performance and position. An adverse movement in a relevant exchange rate (i.e. an increase in the Australian dollar relative to a foreign currency) may have an adverse impact on Orica's future reported financial performance (i.e. reduce Orica's reported sales, profitability, cash flows and financial position).
Orica may be unable to refinance, repay or renew its debt or obtain financing in the future	Orica utilises debt to partially fund its business operations and may need to access additional debt (or other) financing to grow its operations and Orica may not be able to refinance, repay or renew its debt facilities or otherwise obtain debt (or other) finance on favourable terms or at all. Despite Orica's capital raising track record, there is no certainty that it will be successful in obtaining the financing required as and when needed, on favourable terms or at all. Failure to obtain future financing on a timely basis may compromise Orica's ability to commence new contracts, perform existing contracts or may prevent it from achieving other objectives.
Orica may be involved in regulatory investigations, disputes or litigation	Orica may be involved in regulatory investigations, disputes or litigation, including investigations or disputes or litigation with regulators, customers, suppliers or joint venture partners, disputes relating to Orica's alleged infringement of a third party's intellectual property rights, or industrial action or disputes involving Orica's employees or former employees. If Orica is involved in any such regulatory investigation, litigation or disputes, this may disrupt Orica's business operations, cause Orica to incur significant legal costs, and may divert management's attention away from the daily operations of the business.

Key risks (cont'd)

General investment risks

There are risks associated with an investment in shares	There are general risks associated with investments in equity capital such as Orica shares. The trading price of Orica shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price. Generally applicable factors that may affect the market price of shares include: general movements in Australian and international stock markets; investor sentiment; Australian and international economic conditions and outlooks; changes in interest rates and the rate of inflation; changes in government legislation and policies, in particular taxation laws and climate-related laws and regulations; announcement of new technologies; pandemics; epidemics; geo-political instability, including international hostilities and acts of terrorism; demand for and supply of Orica shares; announcements and results of competitors; and analyst reports. No assurance can be given that the New Shares will trade at or above the Offer Price or that there will be an active market in Orica shares. None of Orica, its directors nor any other person guarantees the performance of the New Shares. The operational and financial performance and position of Orica and Orica's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.
There may be changes in accounting standards	Accounting standards may change. This may affect the reported earnings of Orica and its financial position from time to time. Orica has previously and will continue to assess and disclose, when known, the impact of adopting new accounting standards in its periodic financial reporting.
Adverse changes to tax laws may occur	Future changes in taxation laws in jurisdictions in which Orica operates, including changes in interpretation or application of the law by the courts or taxation authorities, may affect the taxation treatment of an investment in Orica shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Orica operates, may impact the future tax liabilities of Orica. An investment in shares involves tax considerations that differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in Orica.

APPENDIX B

INTERNATIONAL OFFER RESTRICTIONS

International offer restrictions

This document does not constitute an offer of new ordinary shares (**New Shares**) of Orica Limited (**the Company**) in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (**the Provinces**) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

International offer restrictions (cont'd)

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the Prospectus Regulation).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the FIEL) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**the FMC Act**). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

International offer restrictions (cont'd)

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

United Arab Emirates

Neither this document nor the New Shares have been approved or passed on in any way by the Emirates Securities and Commodities Authority (ESCA) or any other governmental authority in the United Arab Emirates. The Company has not received authorisation from the ESCA or any other governmental authority to market or sell the New Shares within the United Arab Emirates. This document does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates. No services relating to the New Shares, including the receipt of applications, may be rendered within the United Arab Emirates.

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

International offer restrictions (cont'd)

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together relevant persons). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document may not be distributed or released in the United States.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal.

The New Shares to be offered and sold in the Placement and issued under the SPP have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares to be offered and sold in the Placement may not be offered or sold, directly or indirectly, to persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities law. The New Shares to be offered and sold in the SPP may not be offered and sold, directly or indirectly, to any person in the United States or any person acting for the account or benefit of a person in the United States.

APPENDIX C

GLOSSARY

Glossary of terms

A$	Australian dollar
AN	Ammonium nitrate
ANE	Ammonium nitrate emulsion
ANFO	Ammonium nitrate fuel oil
ASX	Australian Securities Exchange
Breca	Interests associated with Grupo Breca
CAGR	Compound Annual Growth Rate
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBS	Electronic blasting systems
EMEA	Europe, Middle East and Africa
EPS	Earnings per share
FY	Financial year
IFRS 16	International Financial Reporting Standard, Leases
IS	Initiating systems

IT	Information technology
Lead Manager / Underwriter	Goldman Sachs Australia Pty Ltd
Nazca	Initiating Systems manufacturing facility at Lurin, Peru
NED	Non Electric Detonator
New Shares	Shares in Orica issued under the Placement and SPP
Orica	Orica Limited
Placement	Fully underwritten institutional placement
Placement Price	A$21.19 per New Share
RONA	Return on net assets
SAP	Enterprise resource planning and data management software
SKU	Stock keeping unit
SPP	Share Purchase Plan
US$	US dollar

APPENDIX D

UNDERWRITING AGREEMENT SUMMARY

Underwriting agreement summary

Goldman Sachs Australia Pty Ltd (**Lead Manager**) is acting as sole lead manager, bookrunner and underwriter of the Placement. Orica has entered into an underwriting agreement with the Lead Manager in respect of the Placement (**Underwriting Agreement**).

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Lead Manager. The Lead Manager may also, in certain circumstances, terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events including where:

a) any of the following events occur:

   1) there is an outbreak of hostilities not presently existing, or a major escalation of existing hostilities, involving any one or more of Australia, the United States of America, the United Kingdom, Japan, North Korea, any member state of the European Union or the People's Republic of China or Israel or there is a major act of terrorism anywhere in the world or an outbreak or escalation of a pandemic or an epidemic in these markets;
   2) a general moratorium on commercial banking activities in Australia, the United States or the United Kingdom, is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
   3) trading in all securities quoted or listed on ASX, LSE, NASDAQ or NYSE is suspended or limited in a material respect for 1 day on which that exchange is open for trading (Trading Day) or substantially all of a Trading Day;
   4) there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new or materially revised law or any new regulation is made under any law, or a Government Agency adopts a policy, or there is any official public announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Government Agency that such a law or regulation will be introduced or policy adopted (as the case may be) which does or is likely to prohibit the Placement, or regulate the Placement, capital markets or stock markets;
   5) a change in senior management of Orica or board of directors of Orica is announced or occurs;
   6) Orica contravenes applicable laws or regulations or order or request made by or on behalf of any Government Agency or any aspect of the Placement does not comply with applicable laws;
   7) Orica is in breach of any term or condition of the Underwriting Agreement or any representation or warranty given by Orica in the Underwriting Agreement is or becomes incorrect, untrue or misleading; or
   8) there is a material adverse change in the Orica group (taken as a whole) from the position fairly disclosed by Orica to the ASX before the date of the Underwriting Agreement or in the materials released to the ASX in connection with the Placement and Acquisition,

   and such event (i) has, or is likely to have, a material adverse effect on the marketing, success or settlement of the Placement, the willingness of persons to subscribe for the New Shares (or would in the absence of any contractual obligation have or be likely to have such a material adverse effect), or the market price of Orica's shares or (ii) has given rise to or is likely to give rise to a contravention by the Lead Manager or its affiliates of, or the Lead Manager or its affiliates incurring a liability under or being involved in a contravention of, Orica's constitution or applicable laws;

b) any of the material obligations of the relevant parties under the share purchase agreement in relation the Acquisition (**Acquisition Agreement**) are not capable of being performed in accordance with their terms (in the reasonable opinion of the Lead Manager) or if:

   1) any material term of the Acquisition Agreement is amended or varied without the consent of the Lead Manager;
   2) the Acquisition Agreement is terminated or rescinded;
   3) a material term of the Acquisition Agreement is materially breached;
   4) the Acquisition Agreement ceases to have effect, otherwise than in accordance with its terms; or
   5) the Acquisition Agreement is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights);

c) a condition precedent in the Underwriting Agreement is not satisfied or waived by the Lead Manager by its applicable deadline;

d) any event specified in the timetable for the Placement is delayed for more than 24 hours without the prior written consent of the Lead Manager and such delay occurs for reasons other than an act or omission of the Lead Manager its affiliates and each of their respective directors, partners, officers, employees, advisers, agents and representatives;

Underwriting agreement summary (cont'd)

e) Orica withdraws the Placement and the SPP or indicates that it does not intend to or is unable to proceed with the Placement;

there is an application to a Government Agency (including the Takeovers Panel but excluding ASIC) for an order, declaration (including in relation to the Takeovers Panel, a declaration of unacceptable circumstances) or other remedy, or a Government Agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the Placement (or any part of it) or any agreement entered into in respect of the Placement or the SPP (or any part of them); or

f) proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction seeking an injunction or other order in relation to the Placement;

g) Orica or any of its subsidiaries breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party (Material Financing Agreement) which has a material adverse effect on the condition (financial or otherwise), the earnings, business affairs or business prospects, results of operations or general affairs of the Orica group or any of Orica’s subsidiaries (in so far as the effect in relation to the individual group member has a material effect on the Orica group) (Material Adverse Effect), or a lender or financier fails to agree a waiver or amendment to a Material Financing Agreement in relation to any breach, default or review event under that Material Financing Agreement and that failure to agree would, in the Lead Manager’s reasonable opinion, have a Material Adverse Effect;

h) Orica alters its capital structure (other than by issuing shares required as a consequence of the exercise of options, performance rights or deferred share rights currently on issue or as required by any existing director or employee incentive plan) or constitution without the prior consent of the Lead Manager;

i) ASX makes any official statement to Orica that:

    1) approval is refused or not granted (other than subject to customary conditions) to the quotation of all the New Shares on the ASX as from 9.30am on the Allotment Date, or if such approval is granted, the approval is withdrawn or qualified (other than by customary conditions);
    2) Orica’s shares will be suspended from quotation by ASX; or
    3) Orica will be removed from the official list of the ASX;

j) any director or officer (as that term is defined in the Corporations Act) of Orica is charged with an indictable offence or disqualified from managing a corporation under Part 2D.6 of the Corporations Act, or any administrative, regulatory, self-regulating body, court or other judicial body commences any public action against any such person in their capacity as such in relation to any fraudulent conduct or activity whether or not in connection with the Placement, or Orica engages in any fraudulent activity; or

k) any one of the following occurs or is likely to occur in relation to Orica or any of its related bodies corporate:

    1) an order is made, a resolution is passed or steps are taken, for its winding-up, dissolution, official management or administration;
    2) it institutes any proceedings or arrangements for its liquidation or for the appointment of a receiver;
    3) a receiver, receiver and manager, administrator or similar officer is appointed over, or a distress or execution is levied over, its assets;
    4) it suspends payment of its debts or is unable to pay its debts as and when they fall due;
    5) it makes or offers to make an arrangement with its creditors or a class of them; or
    6) something having a substantially similar effect to any event or circumstance referred to in paragraphs (1) to (5) above happens in connection with that person under the law of any jurisdiction.

If the Lead Manger terminates its obligations under the Underwriting Agreement, the Lead Manager will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Placement. In these circumstances, Orica would need to utilise alternative funding to meet its obligations under the Acquisition agreement (which may not be readily available), and which may in turn have an adverse effect on Orica’s financial position and performance.