



Penrice Soda Holdings Limited

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PENRICE AND AMCOR GLASS SIGN NEW MULTI MILLION DOLLAR CONTRACT

Penrice Soda Holdings Limited (ASX: "PSH") announced today a multi million dollar soda ash and limestone supply contract with one of its largest customers, the Amcor Limited (ASX: "AMK") Group.

The contract - with Amcor Glass, a division of the Amcor subsidiary, Amcor Packaging (Australia) Pty Ltd - extends and expands for two years until end 2014 the successful existing Penrice-Amcor supply partnership.

Penrice supplies soda ash from its Adelaide based chemicals plant to Amcor's, state-of-the-art wine bottle plant at Gawler, near the Barossa Valley, north of Adelaide.

For the first time, the contract will now include the supply of limestone from Penrice's Angaston mine, which is also located in the nearby Barossa Valley. Limestone is also used in bottle manufacture by Amcor which supplies the wine industry of Australia and New Zealand, producing approximately one million wine bottles a day.

Penrice is Australia's sole producer of soda ash and together with limestone and sand, these are the key ingredients in glass production. The Adelaide-based company is also the major soda ash supplier to all other major glass manufacturers in Australia.

"We are delighted that Penrice's long association with Amcor has been extended and expanded with this long term contract," Penrice's Managing Director & Chief Executive Officer, Mr Guy Roberts, said today.

"It is a partnership that has seen the volume of our soda ash supplies to Amcor grow in tandem with the success and expansion at Amcor's Gawler plant since it opened seven years ago," Mr Roberts said.

"That track record of successful soda ash supply has now translated into Penrice being awarded Amcor's limestone business. Clearly, a win-win for both parties.

"Penrice looks forward to working in partnership with Amcor to support the wine industry in Australia as Amcor builds a third glass furnace at the Gawler plant. The new furnace is due for completion during calendar 2010 when the site will have three furnaces with an annual capacity of 600 million wine bottles."

"This contract success is another good example of our customers' preference for Penrice's reliability, quality and competitiveness," said Mr Andrew Kuhndt, Penrice's General Manager Chemical Sales.

"Our track record of reliable, local Australian supply is second to none and our customers appreciate our service and commitment to their business," Mr Kuhndt said.

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Penrice Earnings Boost

Mr Roberts said the Amcor contract represented a large proportion of Penrice's soda ash and limestone businesses.

"The long term outlook for soda ash locally and internationally is characterised by robust demand and firm pricing through the medium to long term," he said.

"The new contract is expected to generate increased earnings for Penrice and is also expected to exceed Penrice's return on net assets benchmark rate of 15%".

"The contract will assist in recovering recent raw material and energy cost increases and supports further reinvestment in our businesses."

About Penrice

Penrice is the only manufacturer of soda ash in Australia and a significant producer and distributor of sodium bicarbonate in international markets, exporting to 28 countries.

Its Chemicals business, based at Osborne South Australia, supplies two key chemical ranges:

- Soda ash is sold in the Australian market as a vital ingredient in products ranging from glass containers (especially wine and beer bottles), flat glass for building and construction, washing powder and the mining industry.
- Sodium bicarbonate is a specialty chemical used in a variety of applications as diverse as food, pharmaceuticals, medical, personal care products and stock feed. The Company focuses on a premium range of high-quality products which suit the most demanding applications.

The Group's Quarry & Mineral business is based at the Penrice mine at Angaston South Australia. While the mine supplies a vital ingredient into the chemical process at Osborne, it is also a significant supplier of aggregates and other materials to a variety of end-uses, such as civil & construction, roads, landfill, glass, mineral processing, agriculture, stockfeed and landscaping.

Penrice is an ASX listed public company, which has operated successfully since the 1930's.

The Company directly employs over 300 people and is a major South Australian employer and a vital link in the Australian glass industry and other prominent downstream industries in Australia, such as the building industry and the wine industry.

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