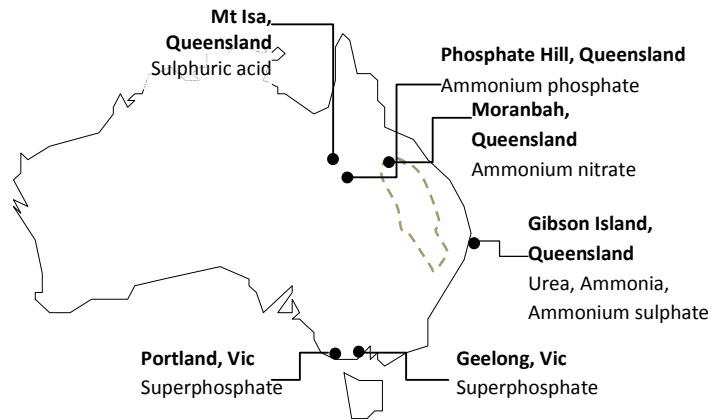


Carbon Tax position

IPL is an ASX listed; leading global company headquartered in Melbourne, Australia, which manufactures, markets and distributes a range of industrial explosives, fertilisers, related products and services to customers around the world.

In Australia, IPL operates across the country and employs approximately 2,200 people.

Defined as a large emitter under the National Greenhouse and Energy Reporting system, IPL's Australian carbon footprint of 1.6 million tonnes of greenhouse gas a year is representative of the scale and capacity of its manufacturing plants. Over 95% of IPL's greenhouse gas emissions relate directly to its three nitrogen-based manufacturing facilities situated in Queensland, which require natural gas as a feedstock for production.



IPL produces commodity products with prices dictated by global supply and demand considerations, the cost of freight from producers to consumers and foreign exchange rates. In particular, IPL competes against companies based in countries which do not have binding Kyoto targets, are not subject to any pricing on carbon, and typically have subsidised feedstock in the form of gas or coal. IPL is unable to pass on costs from carbon regulation to customers.

IPL's climate change position

IPL acknowledges the mainstream scientific direction on the existence of climate change.

IPL supports a well-considered and appropriately designed scheme that combats climate change but does not put Australian industry and jobs at risk. Fertiliser is one of many domestically manufactured products which are priced internationally and IPL is unable to pass this carbon impost on to customers. Australia's actions must align to that of our major trading partners and provide appropriate assistance to prevent offshore migration of manufacturing investment to countries without domestic carbon action and with no benefit to global carbon equivalent emissions.

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