



Melbourne, Australia, 18 January 2013

Dry Creek salt operations

On 29 November 2012, Ridley Corporation Limited (**Ridley, ASX: RIC**) announced signing agreements for the sale of its Cheetham Salt business excluding the operations at Dry Creek in Adelaide, which do not form part of the transaction and are to be retained by Ridley.

The Dry Creek salt operation exclusively services the long term Supply Agreement with Penrice Soda Products Pty Ltd (**Penrice, ASX: PSH**). Today Penrice announced the signing of a Memorandum of Understanding to form a Joint Venture, under which soda ash production at the Osborne, Adelaide chemical facility would cease by the end of June 2013.

If the soda ash plant is closed, Penrice's requirements for salt will cease. The Supply Agreement is a 'take or pay' agreement to 2019 and both parties are in discussions regarding the proposed Joint Venture arrangement for Penrice and are working together to evaluate the impact of that arrangement on the Supply Agreement.

Ridley will provide further disclosure on this matter as and when the Joint Venture is duly formed and the consequences to Ridley in respect of future earnings, cash flows and impairments of the operations at Dry Creek are known and can be quantified.

The Dry Creek site comprises over 5,000 hectares of freehold land, and has significant potential to deliver shareholder value by way of a long term redevelopment as a Master Planned Community within 12 kilometres from the Adelaide Central Business District (**CBD**). Upon the termination of the Supply Agreement, the land will become available for a redevelopment of the kind previously contemplated and already disclosed to the market.

At the same time, Ridley will actively pursue other development opportunities for the broader land holdings north of the Dry Creek operation which are not utilised in salt production.

While the 'take or pay' Supply Agreement with Penrice remains in place, Ridley will look forward to working constructively with Penrice to meet the salt requirements of the soda ash plant. A closure of the soda ash plant would open the door for the redevelopment and realisation of the Dry Creek site by Ridley which is expected to create significant value for shareholders.

For further information please contact:

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RIDLEY BACKGROUND

Ridley Corporation Limited (ASX: RIC) is Australia's leading supplier of animal nutrients, ingredients and feeds for the safe and sustainable production of food from livestock. Ridley's operations service both ends of the food production value chain. Ridley is a leading supplier of animal nutrition products to producers in the beef, dairy, poultry, pig, sheep, and aquaculture industries, laboratory animals and equine and canines animals in the recreational sector. Through its rendering operations, Ridley is also one of Australia's largest processors of animal by-products, supplying a range of products to service Australian and export markets. Ridley has a diversified production base across eastern and southern Australia and a portfolio of well recognised brands servicing customers across Australia.