

29 July 2014

Orica committed to ongoing improvements at Kooragang Island and Botany sites

Orica today said it was committed to making further improvements at its Kooragang Island and Botany sites following the decisions handed down yesterday by the Land and Environment Court of NSW relating to seven incidents at its Kooragang Island (KI) facility in Newcastle and its Botany facility in southern Sydney which took place between October 2010 and December 2011.

Orica's Executive Global Head of Manufacturing, Richard Hoggard, said the company reiterated its regret for the events that took place.

"We now have an opportunity to assess the progress Orica has made since 2011 and look ahead to further enhancements. We believe that Orica has come a long way," Mr Hoggard said.

"The company has invested more than \$200 million over the last three years delivering the largest improvement and capital upgrade program in the KI facility's 45-year history.

"This is in addition to our significant investment in our people, processes and the community."

Mr Hoggard said: "Across the Hunter Region, Orica is also investing significantly to rebuild its relationship and trust with the community. Orica is working hard to meet the community's expectations.

"Orica's efforts to strengthen its community relationships includes opening our doors to the Kooragang Island site for resident and school groups, regular communication through the our Community Reference Group and support for local community and sporting groups," Mr Hoggard said.

Key investments at the Kooragang Island site include:

- Redesigning the ammonia plant to prevent a repeat of the August 2011 event
- \$20 million to commence an ammonia management improvement program - the program will include a further \$80 million investment to install flaring systems, pending regulatory approval, and other infrastructure to minimise ammonia emissions and odours
- \$17 million upgrading computerised instrumentation and alarm systems for the KI site's Nitrates plants

- \$27 million installing new secondary containment structures and upgrading existing infrastructure, such as drainage networks, to reduce the risk of pollution incidents
- \$10 million upgrading site electrical infrastructure
- \$51 million upgrading plant equipment and process vessels

Orica recently launched a \$120,000-a-year Community Investment Program to support Newcastle-based organisations with grants for projects that seek to promote education and lifelong learning initiatives, improve and protect the environment and build strong communities.

Justice Rachel Pepper yesterday imposed penalties of \$768,250 for a total of nine offences to which Orica had pleaded guilty. The penalties will contribute to funding seven environmental enhancement projects in the Hunter Valley and Botany including:

- Hunter River Health Monitoring Program (\$101,500) – a pilot program to initiate ongoing monitoring for the lower Hunter River, conducted by NSW Office of Environment and Heritage (NSW OEH)*
- Newcastle Particle Characterisation Study (\$122,500) – evidence-based work on an air particle study in the lower Hunter Region (NSW OEH)*
- Stockton Cycleway Revegetation Works (\$87,500) – revegetation works and the repair of sea wall alongside the Fullerton Street / Hunter River cycleway in Stockton (Newcastle City Council)*
- Restoration of Kooragang Dykes (\$211,750) – works to address the deterioration of this important migratory wader bird site (National Parks and Wildlife Service) (NPWS)*
- Tomago Wetland Rehabilitation (\$175,000) – works to rehabilitate the ecological character of this part of the Ramsar Wetland (NPWS)*
- Stockton Pitt Street Reserve Domain Enhancement (\$35,000) – rehabilitation project including revegetation and addressing site erosion for connecting parkland between Stockton Beach and Hunter River (Newcastle City Council)*
- Sir Joseph Banks Park (Botany) (\$35,000) – Regeneration of native/bush vegetation (City of Botany Bay Council). *

In accordance with the decision, Orica will also meet the NSW EPA's legal and investigation costs.

Further Details:

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* Orica Australia Pty Limited's contribution to the funding of:

- The Tomago Wetland Rehabilitation Project is part of a penalty imposed on it by the Land and Environment Court of NSW after it was convicted of an offence against s64(1) (breach of licence condition) of the *Protection of the Environment Operations Act 1997* (NSW).
- The Stage 2 Restoration of Kooragang Dykes project is part of a penalty imposed on it by the Land and Environment Court of NSW after it was convicted of offences against ss 64(1) (breach of licence condition) and 148(2) (failure to report a pollution incident as soon as practicable) of the *Protection of the Environment Operations Act 1997* (NSW).

- The Lower Hunter Particle Compositional Study is part of a penalty imposed on it by the Land and Environment Court of NSW after it was convicted of an offence against s 64(1) (breach of licence condition) of the *Protection of the Environment Operations Act 1997* (NSW).
- The Bush Regeneration of Sir Joseph Banks Reserve project is part of a penalty imposed on it by the Land and Environment Court of NSW after it was convicted of an offence against s 64(1) (breach of licence condition) of the *Protection of the Environment Operations Act 1997* (NSW).
- The Pitt Street Reserve Public Domain Enhancement project is part of a penalty imposed on it by the Land and Environment Court of NSW after it was convicted of an offence against s 64(1) (breach of licence condition) of the *Protection of the Environment Operations Act 1997* (NSW).
- The Stockton Cycleway Revegetation Works is part of a penalty imposed on it by the Land and Environment Court of NSW after it was convicted of an offence against s 64(1) (breach of licence condition) of the *Protection of the Environment Operations Act 1997* (NSW).
- The Hunter River Health Monitoring Program is part of a penalty imposed on it by the Land and Environment Court of NSW after it was convicted of offences against ss 64(1) (breach of licence condition) and 120(1) (water pollution) of the *Protection of the Environment Operations Act 1997* (NSW).