

ASX Announcement/Media Release

28 April 2008

Dyno Nobel enters into agreement with Koch Nitrogen to market UAN

Dyno Nobel has entered into an agreement with Koch Nitrogen Company to market 100 per cent of the UAN (urea ammonium nitrate) produced at Dyno Nobel's Cheyenne, Wyoming manufacturing facility. Koch has agreed to supply Dyno Nobel with the ammonia necessary for the production of approximately 290,000 short tons of UAN each year.

Dyno Nobel Chief Executive Officer, Mr Peter Richards, said, "The agreement gives Dyno Nobel a reliable source of ammonia in order to meet the growing demand for fertiliser from the agricultural sector. Our Cheyenne facility gives the Company the flexibility to swing production between ammonium nitrate, for commercial explosives, and fertiliser which will generate significant additional revenue and will meet Dyno Nobel's rate of return requirements for new capital expenditure.

"Koch is a respected partner and one of the world's leading fertiliser distributors, and marketers of UAN. Dyno Nobel will greatly benefit from Koch's extensive marketing expertise and distribution networks".

The Cheyenne, Wyoming manufacturing facility is currently undergoing a capacity expansion schedule for completion in mid 2008. Expanded production capacity of 200,000 short tons of ammonium nitrate solution (ANSOL) per annum will position Dyno Nobel to leverage strong short-term agricultural fertilizer demand and capture long-term growth in the Powder River Basin region.

Production of UAN is expected to begin third quarter 2008.

On 11 March 2008, Dyno Nobel announced that it had entered into a Scheme Implementation Agreement ("SIA") with Incitec Pivot Limited ("IPL") under which IPL proposes to acquire all of the shares in Dyno Nobel which IPL does not already own ("IPL Scheme") (please refer to Dyno Nobel's ASX announcement released on 11 March 2008 for further details regarding the IPL Scheme).

-ENDS-

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Groundbreaking Performance

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Background

Dyno Nobel

Dyno Nobel (ASX – DXL) is a leading supplier of industrial explosives and blasting services to the mining, quarrying, seismic and construction industries. Dyno Nobel is the market leader in North America - the largest explosives market in the world - and the second largest supplier in Australia - the third largest explosives market in the world.

Dyno Nobel employs more than 3,500 people and has 36 manufacturing facilities in Australia, Canada, the US, Indonesia, Mexico and Papua New Guinea. Dyno Nobel is renowned for its excellent safety performance and as a provider of innovative explosive products and services, which together deliver groundbreaking performance for its customers.

Koch Nitrogen

Koch Nitrogen and its affiliates produce, distribute and globally market nitrogen fertilizers, including anhydrous ammonia, urea, nitric acid, UAN solutions, ammonium nitrate solution, ammonium polyphosphate and ammonium thiosulfate. The company's fertilizer interests have the capability of producing about 7.5 million metric tons of nitrogen products annually. Koch Nitrogen is an indirect, wholly-owned subsidiary of privately held Koch Industries, Inc. (www.kochind.com), based in Wichita, Kansas.

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