

DYNO

Dyno Nobel

13 June 2008

The Manager, Companies
Australian Stock Exchange Limited
Company Announcements Office
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Sydney NSW 2000

Dyno Nobel Limited
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111 Pacific Hwy, North Sydney
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Dear Sir

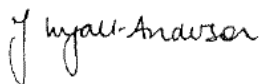
Dyno Nobel Step-up Preference Securities

I refer to the Dyno Nobel Step-up Preference Securities issued by the Dyno Nobel SPS Trust (***Dyno Nobel SPS***). Please find attached a Realisation Notice which will be sent to holders of Dyno Nobel SPS today.

The Realisation Date for the Dyno Nobel SPS will be Friday, 18 July 2008. The Record Date for the final distribution to be made on the Realisation Date will be Friday, 27 June 2008. Accordingly, it is anticipated that an application will be made to ASX for suspension of trading in Dyno Nobel SPS from the close of trading on Friday, 20 June 2008.

Please contact me if you have queries on 02 9968 9545.

Yours sincerely



Julianne Lyall-Anderson
Company Secretary

13 June 2008

Dear Securityholder

Dyno Nobel SPS - Dyno Nobel Realisation Notice

Capitalised terms not otherwise defined in this letter have the meaning set out in the terms and conditions of issue of the Dyno Nobel Step-up Preference Securities issued by Permanent Investment Management Limited as responsible entity of the Dyno Nobel SPS Trust (ARSN 126 167 459), as set out in Appendix A to the Replacement Product Disclosure Statement dated 11 July 2007 ("**Dyno Nobel SPS Terms**").

As set out in the Change of Control Notice issued by Dyno Nobel dated 3 June 2008, an Acquisition Event occurred on 22 May 2008 and a Change of Control Event occurred on 30 May 2008.

This letter constitutes a Dyno Nobel Realisation Notice for the purposes of clause 7.4(e) of the Dyno Nobel SPS Terms. Dyno Nobel notifies Holders of its intention to Repurchase all Dyno Nobel SPS. The Realisation Date for the Dyno Nobel SPS will be 25 Business Days after the date of this Dyno Nobel Realisation Notice, being 18 July 2008.

On the Realisation Date, Dyno Nobel will Repurchase all Dyno Nobel SPS and pay to the Holders the Repurchase Amount in respect of each Dyno Nobel SPS which is to be Repurchased.

The Repurchase Amount for a Dyno Nobel SPS is the aggregate of:

- (a) \$115 (being the amount equal to the Face Value multiplied by 115%);
- (b) an amount equal to the unpaid amount (if any) of the scheduled Distributions for a period of 12 months immediately preceding (but including) the Realisation Date; and
- (c) an amount determined by applying the formula in clause 3.1 of the Dyno Nobel SPS Terms ("**Distributions**") together with associated definitions as if the Realisation Date were a Distribution Payment Date,

less the amount of any Cash Distribution ¹ paid to the Holder in respect of the Dyno Nobel SPS on the Realisation Date.

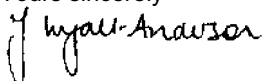
Dyno Nobel does not intend to pay any Cash Distribution to Holders on the Realisation Date. The amount referred to in paragraph (c) relates to the period from 1 July 2008 to the Realisation Date.

The Dyno Nobel SPS will be transferred to Dyno Nobel in accordance with clause 12 of the Dyno Nobel SPS Terms.

By subscription for or acquisition of Dyno Nobel SPS, you are taken to have agreed to the Repurchase of your Dyno Nobel SPS in accordance with clause 8.3 of the Dyno Nobel SPS Terms.

For further information, please refer to the Dyno Nobel SPS Terms or you can contact Computershare information line on 1800 502 497 (within Australia) or +61 3 9415 4288 (outside Australia).

Yours sincerely



Julianne Lyall-Anderson

Company Secretary
Dyno Nobel Limited

¹Under clause 8.1(c) of the Dyno Nobel SPS Terms, Dyno Nobel has an ability to pay a Cash Distribution to Holders in certain circumstances.