

5 May 2010

Dear Shareholder

I am pleased to inform you that Orica has announced that it intends to proceed with the proposed demerger of DuluxGroup from Orica. The demerger will provide you with the opportunity to own a direct interest in DuluxGroup, the leading provider of premium branded coatings and home improvement and garden care products in Australia and New Zealand.

Under the proposed demerger, eligible Orica ordinary shareholders would receive one DuluxGroup share for every Orica share held and retain their Orica shares. DuluxGroup is expected to list as a standalone company on the Australian Securities Exchange in July 2010.

With the significant improvements in debt and equity markets in recent months, the Orica Board believes that the timing is now right for the demerger of DuluxGroup.

A demerger will enable Orica shareholders to benefit from ownership in two market leading companies, each with a separate Board and management team focused on its own strategic growth path and supported by an appropriate capital structure and dividend policy:

- Orica - a global leader in the provision of consumables and services to the mining sector and a regional leader in the chemical sectors; and
- DuluxGroup - an Australasian market leader in premium branded coatings and home improvement and garden care products, with growth opportunities in the expanding consumer markets of Asia.

The demerger will enhance Orica's already strong focus on its leadership positions in the mining services and chemicals sectors. DuluxGroup has been an outstanding business within the Orica portfolio and the Board believes it will be an even better business with the strategic freedom offered by a demerger.

You are not required to take any action at this stage in relation to the demerger. A Scheme Booklet setting out full details of the proposed demerger and other relevant information is expected to be sent to shareholders in early June.

The demerger will only proceed if all relevant approvals, including shareholder, Court and ASX approvals, are received.

Shareholder Information Line

If you have any questions relating to the proposed demerger please call the Orica Shareholder Information Line on 1300 301 253 or, for international callers, +612 8280 7754.

Yours sincerely



Peter Duncan
Chairman