

22 February 2016

Incitec Pivot Limited

ABN 42 004 080 264

Level 8, 28 Freshwater Place
Southbank VIC 3006

GPO Box 1322
Melbourne VIC 3001 Australia

T 61 3 8695 4400

F 61 3 8695 4419

www.incitecpivot.com.au

Sara Eyckmans
Coordinator
Western Sahara Resource Watch
Email: coordinator@wsrw.org

Dear Ms Eyckmans

Thank you for your letter to James Fazzino dated 1 February 2016.

I can confirm that for the 2015 calendar year, Incitec Pivot Limited (IPL) procured two shipments of phosphate rock from Western Sahara totalling approximately 63,000 tonnes.

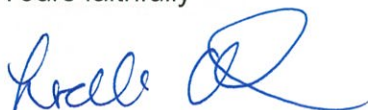
Our requirements for phosphate rock are driven by a number of factors including manufacturing schedules, the blend to be achieved and the demand for single super phosphate. Over the years, IPL has sourced phosphate rock from countries including China, Togo, Nauru, Vietnam and Christmas Island as well as Western Sahara and our plants are configured to produce SSP using a blend of rock from different sources. During 2015, IPL has been able to secure increased quantities of phosphate rock from Togo which has resulted in a decrease in the quantity of phosphate rock sourced from Western Sahara.

We appreciate that the situation with the Kingdom of Morocco and the status of the Non-Self Governing Territory of Western Sahara is a complex and politically charged issue. We support the continued UN sponsored efforts to reach a peaceful resolution with respect to the issue of self-determination.

We are still waiting for the official English translation of the decision of the International Court of Justice (ICA) in its decision of *Frente Polisario v Council* and so at this stage have had to rely on unofficial translations of the decision. However, we understand that the judgement does not override or diminish the status of the UN Legal Opinion given by Hans Corell in 2002 (UN Legal Opinion) and indeed that the decision of the ICA leads to the same conclusion as the UN Legal Opinion.

Accordingly, we continue to be guided by the principles set out in the UN Legal Opinion in relation to the procurement of phosphate rock from Western Sahara. We will of course continue to monitor the situation but at this stage we remain satisfied that IPL is not in breach of Australian law or international law in relation its procurement of phosphate rock from Western Sahara.

Yours faithfully



Loretta O'Hanlon
Senior Legal Counsel