

PENRICE SODA HOLDINGS LIMITED

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ASX/Media Release

PENRICE AND GE FORM CONSORTIUM FOR INNOVATIVE COAL SEAM GAS INDUSTRY WATER TREATMENT

Penrice Soda Holdings Limited (ASX:PSH) ('Penrice') announces the signing of a Consortium Agreement with the water and process technologies business of GE Power & Water to provide the Coal Seam Gas (CSG) industry in Australia with a complete brine removal mechanism for its associated water. The Consortium Agreement focuses on building demonstration plants to commercialise novel technology developed by Penrice.

Penrice said it had undertaken considerable research and development with CSG water over the past three years and has developed novel and innovative process technology to remove the associated brine and to make saleable chemicals from the brine. As part of the research and development project, Penrice has lodged a patent application over its technology.

The Australian CSG industry is dealing with challenges in working with the huge quantities of water which it recovers as it extracts coal seam gas. A major benefit of the Penrice process technology is that treated CSG water will be sufficiently clean that it can be returned to the environment or used for agriculture or as potable water.

Using water from several CSG projects, Penrice has conducted laboratory and small scale field trials, converting the dissolved brine in CSG water into saleable chemicals, namely sodium carbonate (soda ash), sodium bicarbonate and sodium chloride (common salt).

At commercial scale, Penrice's process should be cost effective and has the environmental advantage of generating zero waste.

Penrice is confident that its technology provides a valuable opportunity to assist the CSG industry solve one of its major environmental challenges in dealing with its CSG water - by producing saleable chemicals as the water is cleaned.

At the same time, Penrice would be in a position to grow and diversify its existing chemicals business, by making and selling commercial quantities of the same chemicals that it already produces at its Osborne plant in South Australia.

The Penrice/GE Consortium is an ideal venture between two companies who share the same objectives for the CSG industry. The partners have complementary business offerings -

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- Leveraging its cutting-edge technology, Penrice's role is to operate and maintain brine treatment plants and using its considerable marketing network, sell the plant outputs in Australia and internationally.
- GE's role, as a major global water treatment company, is as a technology and equipment vendor with extensive engineering and project management expertise.

"It is envisaged that the companies will join forces to create an attractive solution to one of the major issues confronting the CSG industry – how to successfully deal with the water that accompanies the gas extraction process," Penrice Managing Director and Chief Executive Officer, Mr Guy Roberts, said today.

"There is considerable interest from the industry and from the relevant regulators. We believe the CSG producers will be convinced to be the principal funding source for these projects," he said.

"The Penrice/GE Consortium is already progressing several opportunities, initially to build a demonstration plant, which will build confidence for commercial scale plant in due course.

"Penrice and GE are hopeful that the union between the companies will result in a demonstration plant being built in the near future for one of the CSG companies."

About Penrice

Penrice Soda Holdings Limited (ASX :PSH) is Australia's only manufacturer of sodium carbonate and sodium bicarbonate and one of the world's largest sodium bicarbonate marketing companies. It also operates a large limestone mine and is a significant supplier of industrial minerals and civil products.

For more on Penrice's operations, go to our website at www.penrice.com.au or contact:

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