

MEDIA RELEASE**McGrathNicol calls for expressions of interest in Penrice assets, urges suppliers and customers to get behind company**

Adelaide, 28 April 2014 – Administrators to ASX-listed Penrice Soda Holdings Ltd (PSH, Administrators Appointed) have urged customers and suppliers to support the company to ensure its survival.

The urging from corporate recovery specialists McGrathNicol comes following calls for expressions of interest last week from potential purchasers of Penrice assets, including a limestone quarry near Angaston and a chemicals production and logistics handling plant in Osborne.

Penrice was placed into voluntary administration on 11 April.

McGrathNicol Partner, Sam Davies, said the Administrators would consider offers for the purchase of Penrice assets as they worked through options for restructuring and recapitalising Penrice's business operations.

"Penrice has some quality assets that we think will be attractive to certain buyers," Mr Davies said.

"The level of interest in the business shown to date has been pleasing," he said.

"Penrice has a strong position in the Australian market as the primary supplier of a range of products that are critical to industry, including sodium bicarbonate, quicklime and limestone. It also has established and growing exports of quality sodium bicarbonate into key Asian markets."

Employing 40 people, the Penrice quarry in Angaston is the largest crystalline limestone mine in South Australia, supplying limestone for glass and cement manufacture, mineral processing, animal feed and medical care products, and aggregate for civil construction, road-making, landfill and landscaping.

The mine also supplies limestone to Penrice's plant in Osborne, for the production of sodium bicarbonate for the domestic and international markets. Sodium bicarbonate is a specialised chemical used in applications as diverse as glass, food, pharmaceuticals, medical and personal care, detergents and animal feed. The Osborne plant, with 140 staff, is the only producer of the material in Australia and south-east Asia. The Osborne plant also contains the mothballed soda ash manufacturing plant.

Mr Davies said Australian businesses that supplied Penrice and relied on the company for key materials should support it at this critical time.

"Penrice is a local manufacturing business with a skilled workforce of 180 people and strong supply relationships nationally and internationally," he said.

“Losing Penrice would be a blow to South Australian jobs, and mean increased costs to domestic businesses that would have to source product from much further afield.

“We’ve had terrific support from a number of key customers and suppliers, but it’s not a stretch to say that the future of Penrice and its employees hinges on a number of key suppliers and customers continuing to support the business at this point,” Mr Davies said.

Mr Davies said the purpose of today’s meeting was to elect a Committee of creditors to work with the Administrators but also for creditors to receive an update on the administration so far.

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About McGrathNicol

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