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PRESS RELEASE

IMMEDIATE RELEASE

Independent Titanium Dioxide Pigment Price Forecast: Buoyant Times for TiO₂ Sector

The global TiO₂ sector is currently clearly more buoyant than at any other time in the last 10 years, supported by strong pigment market pricing. This in turn is likely to flow down to the minerals sector, where similarly sub-standard returns have been occurring for many years. Current market conditions are exacerbated by low inventory levels of pigment and current production capacity being closely matched to market demand. While titanium dioxide pigment missed the last commodity price wave, TZMI does not expect the industry to tread water in the future at recent ROIC levels and some claw back of margins through price elevation ahead of cost inflation is expected over the next 2 to 4 years as the industry has solid pricing fundamentals in its corner.

November 17, 2010 -- TZMI's Pigment Price Forecast is the only independent forward-looking analysis of the prices for the titanium dioxide (TiO₂) pigment and is published quarterly by TZ Minerals International Pty Ltd (TZMI). The newly released Pigment Price Forecast Q3 2010 uses a detailed analysis of the global supply/demand balance forward to 2015 to develop its latest 6 year regional price forecast.

The Pigment Price Forecast Q3 2010 further details TZMI's opinion that 2010 is playing out as a strong rebound year for pigment producers, as market fundamentals support significant growth in output relative to 2009 levels. The primary cause for the increased output is obvious - a substantial increase in demand over 2009 levels as the global market rebounds from the recession that shook up the industry.

Inventory is a significant factor in the current industry supply-predicament. Producers entered 2010 with record low inventory levels and, independent of the underlying market fundamentals, there is a need to out-produce demand levels in order to build inventory to more seasonal and normal levels. The lack of investment in capacity over the last 4-5 years, combined with high-cost capacity reductions during the previous 18 months, has resulted in a supply shock situation. As margins eroded, producers could not justify incremental capacity investment.

TZMI continues to ascertain that while the market segments served by the TiO₂ producers are somewhat homogeneous across the regions of the world, the demand drivers are different in each region. Emerging and developed economies maintain different demand driver characteristics and growth rate expectations. Regional lifestyle preferences also play a significant role. China is expected to account for more than 83% of the incremental demand growth within Asia-Pacific to 2015 and 45% of the global incremental demand over the same period. As the Chinese demand base increases, global year-on-year growth rates are expected to remain above the historical long-term average of 3.1% CAGR. In the six years to 2015, global TiO₂ demand is expected to average a CAGR of 5.2%. This higher-than-usual growth rate is due to a significant restocking from a recent nadir in 2009. The CAGR from 2010 to 2015 is a more subdued 4.2%.

"The TiO₂ sector is seeing a current environment that is more favourable to sellers of pigment than buyers, however further price support is needed over the long term to support reinvestment outside of lower cost brownfield expansions." says David McCoy, Senior Partner with TZMI. "Furthermore, the long-term demand forecast for mature economies is not out of supply/demand balance, so any significant investment will be aimed at serving the emerging markets - either in the region of demand or in a region that can profitably serve the region of demand. TZMI sees that the likely candidates for future investment are obvious: Asia Pacific, the Middle East, and North America."

The Pigment Price Forecast Q3 2010 includes an in-depth analysis of regional pigment trade for the period 2001 to 2009, extracted from TZMI's proprietary database.

The Pigment Price Forecast Q3 2010 is developed concurrently with TZMI's Global TiO₂ Pigment Producers Comparative Cost and Profitability Study, the benchmark analysis of the leading industry producers. The study

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covers over 60 pigment plants spread across 27 countries and covers over 92% of the 2009 output. The study is an independent analysis built up from individual plant cost structures plus an analysis of global pigment trade during 2009. The forecasting of regional pigment prices included in Pigment Price Forecast Q3 2010 is aligned to TZMI's forecast for pigment plant cash costs.

The major producers of TiO₂ pigment are: E.I. du Pont de Nemours & Co; Cristal Global, Huntsman Corporation, Tronox Incorporated, Kronos Worldwide Inc, Ishihara Sangyo Kaisha Ltd and Rockwood Holdings Inc. The major producers of TiO₂ feedstock are: Rio Tinto Limited, Iluka Resources Limited, Exxaro Resources Ltd, Bemax Resources Limited, Eramet SA and Kenmare Resources plc.

The next edition (Q4) of the Pigment Price Forecast will be released in February 2011.

About TZMI

TZ Minerals International Pty Ltd (TZMI) is an independent consulting and publishing company, established in 1994, with offices in Australia, the USA, Europe, South Africa and China. TZMI is comprised of four operating divisions and subsidiaries, providing specialist services to the following industries:

- *Mineral sands and zircon*
- *Titanium dioxide pigment and titanium metal*
- *Iron ore and ferrous alloys*
- *Specialty chemicals for the global paints and coatings industry.*

Two associated companies, in which TZMI has a shareholding, provide ancillary services to these industries and augment the offerings of TZMI's other divisions are:

- *Allied Mineral Laboratories (AML), providing test work, product assessment and flowsheet development for mineral sands, iron ore and other heavy mineral deposits;*
- *Ferrum Consultants, market consultants in ferrous metallurgy.*

The TZMI team has decades of cumulative production and consulting experience across the commodities value chain, from resource estimation to divestment, and the depth of skills enables advice to be provided ranging from high-level strategic M&A decision support to operationally-focused plant optimisation. TZMI's Publications and Data Services support its consulting activities.

From a free weekly news service to sector-specific periodicals and data matrices, multi-client studies and annual industry reviews, the TZMI Group offers a comprehensive suite of products and subscription options suitable for all industry participants. For more information or to order a copy of the TZMI Pigment Price Forecast Q3 2010, visit www.tzmi.com.