

PLENTY RIVER CORPORATION LIMITED

(ABN 13 009 607 676)

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REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2004

REVIEW OF OPERATIONS

DAMPIER NITROGEN PROJECT - BURRUP PENINSULA, WESTERN AUSTRALIA

Progress during Quarter

Activity during the quarter was focused on progressing discussions with potential joint venture partners and product offtakers. This activity was met with success late in the quarter, resulting in the signing by Plenty River Corporation Limited's subsidiary, Dampier Nitrogen Pty. Ltd. (DNPL) of a Development Agreement with Dyno Nobel Asia Pacific Limited (Dyno Nobel) on 7 October 2004.

This agreement is aimed at facilitating the development of an ammonia/urea, ammonium nitrate production complex on DNPL's project site on the Burrup Peninsula in Western Australia.

Dyno Nobel is one of the world's leading explosive manufacturers as well as a significant producer of low-density ammonium nitrate (AN). Dyno Nobel either directly or through joint ventures has significant global manufacturing assets in ammonia and AN.

The recent and rapid increase in demand for AN for mining applications, not only in WA but throughout the region, has presented the opportunity for Dyno Nobel to increase its ammonia and AN manufacturing capacity.

Currently DNPL is owned 90% by Plenty River Corporation Limited (PRCL) and 10% by Thiess Pty. Ltd. (Thiess).

Under the terms of the Development Agreement it is proposed that:

- DNPL and Dyno Nobel will jointly develop and operate a 2,300 tonne per day (tpd) ammonia plant;
- DNPL will develop a nominal 1,750 tpd granular urea plant; and
- Dyno Nobel will carry out a feasibility study on a nominal 235,000 tonne per annum (tpa) AN plant to be located on the DNPL project site and adjacent to the ammonia/urea plant.

Dyno Nobel's focus will be limited to the ammonia plant and to the AN plant. It is proposed that Thiess and Uhde GmbH (Uhde) of Germany will be the joint engineering/construction contractors for the ammonia plant, and the ammonia plant will utilize Uhde ammonia technology.

The Development Agreement provides that Dyno Nobel and DNPL will jointly:

- Prepare a Bankable Feasibility Study (BFS) for the ammonia plant and arrange project financing with the objective of securing Financial Close in the second quarter of 2005;
- Develop detailed engineering and construction data for the ammonia plant and related facilities;
- Obtain modifications as necessary of existing environmental and other approvals;
- Conduct discussions and negotiate definitive infrastructure agreements with State and Federal Governments and key stakeholders; and
- Conclude ammonia offtake arrangements for domestic and international markets (if required).

The BFS for the ammonia plant and related activities are expected to cost approximately \$2-2½ million, and following a decision to proceed to Financial Close, it is estimated that a further \$2 million will be required to conclude project financing.

Dyno Nobel's share of ammonia production will be approximately 400,000 tpa with some of this ammonia being used to provide feedstock to the AN plant. DNPL will consequently have access to the remaining 400,000 tpa of ammonia that the ammonia plant will produce.

Dyno Nobel will be responsible for the preparation of a BFS in relation to the AN plant and the obtaining of all necessary environmental and other approvals, and the separate financing of this project. DNPL will not be an equity participant in the AN plant.

DNPL will be responsible for a separate BFS in relation to the proposed nominal 1,750 tpd granular urea plant with the objective of also securing Financial Close of this project in the second quarter of 2005.

The Development Agreement provides that Dyno Nobel will pay an initial ammonia plant participation fee to DNPL. A further participation fee will be payable to PRCL at financial close of the AN project.

DNPL was granted environmental approval by the WA Minister of Environment and Heritage on 6 December 2002, authorizing subject to certain conditions the construction and operation of a 2,300/3,500 tpd ammonia/urea plant. This approval was based on Uhde ammonia technology.

PRCL and DNPL in conjunction with PRCL's financial advisers, Babcock & Brown, continue to investigate funding options and to pursue discussions with other potential investors in relation to investment in the ammonia and urea components of the complex.

MINERAL EXPLORATION

EPM Application (Plentex Limited 100%) .. Bullseye Project

As previously reported this application for an Exploration Permit for Minerals 14641 was lodged by Plenty River Corporation Limited's wholly owned subsidiary, Plentex Limited during the second quarter of 2004. The application has been named the Bullseye Project and is located some 84 kilometres west of Georgetown in far North Queensland and covers an area of approx. 310 sq. km.

The grant of the EPM is subject to processing through Native Title procedures and at present field work is not anticipated until early 2005.

Other Prospects

During the quarter Plentex Limited reviewed a number of other potential mineral exploration prospects, and at the end of the quarter several of these remain under active consideration.

FINANCIAL

Loan Facility

On 13 May 2004 the Company's financial advisors, Babcock & Brown Limited (as nominee on behalf of Babcock & Brown Lease Management Services), provided the Company with a \$150,000 loan facility for working capital purposes. This loan facility was provided on normal commercial terms and was to be repaid on 12 August 2004 or the date upon which Plenty River received sufficient funds through a capital raising to enable repayment of the facility. The repayment date for this facility was extended during the quarter to 30 November 2004.

Share Purchase Plan

The Company announced on 27 July 2004 the adoption of a Share Purchase Plan (SPP) to be offered to Eligible Shareholders of the Company.

The SPP offered Eligible Shareholders an opportunity to purchase up to \$4,950 worth of shares in the Company at a price of 9 cents per share, being an approximate 5% discount to the last sales price of the Company's shares on the Australian Stock Exchange, prior to the date of announcement of the SPP.

The offer was limited to 10,000,000 shares, and the SPP announcement indicated that if less than 10,000,000 shares were applied for pursuant to the SPP, the Directors reserved the right to place the shortfall.

The initial closing for the SPP was 20 August 2004 and was subsequently extended to 8 September 2004.

On 26 August 2004 the Directors announced that they had resolved to further vary the SPP by making an issue of one free option for every share subscribed for under the SPP (Proposed Options Offer) subject to obtaining shareholder approval for the issue of the options and the issue of a Prospectus in respect of the options.

The Proposed Options Offer was extended to those shareholders who had already subscribed for shares under the SPP in addition to shareholders subscribing for shares under the SPP following the date of the announcement. Shareholders were further advised that the options which the Company intends to issue if shareholder approval is obtained, will have an exercise price of 10 cents, and are to be exercised on or before 31 March 2005. New shares issued pursuant to the exercise of these options will rank pari passu with the Company's existing fully paid ordinary shares.

On 18 October 2004 the Company announced that a total of 3,253,334 ordinary shares had been issued under the SPP, resulting in an inflow of \$292,800.06. The proceeds of the issue of shares under the SPP have been applied by the Company in satisfaction or part satisfaction of debts of the Company, and for general working capital.

As noted above, shareholders were advised at the time of introduction of the SPP that if there was a shortfall in acceptances under the SPP, the Directors reserved the right to place the shortfall, provided the total number of shares issued under the SPP and placement did not exceed the maximum number permitted under the ASX Listing Rules at that time.

The Directors are currently seeking to place up to a further 5,000,000 fully paid ordinary shares, being part of the shortfall under the SPP, and it is intended that this placement will be made on the same terms (to the extent that they are relevant) to shareholders under the SPP, including the issue of one option for every share subscribed for (subject always to shareholder approval).

Accordingly, the Directors will be seeking approval from shareholders for the issue of up to 8,253,334 options as part of a number of items of Special Business to be put forward at the forthcoming Annual General Meeting to be held on Monday, 29 November 2004.

EXPLORATION AND EVALUATION EXPENDITURE

The Appendix 5B - Mining Exploration Entity Quarterly Report is annexed hereto.

Yours faithfully,
for and on behalf of
PLENTY RIVER CORPORATION LIMITED



PETER C. STREADER
Executive Director

Note: The information in this report that relates to mineral resources and ore reserves is based on information compiled by Gary Kenneth Thompson, a member of the Australasian Institute of Mining and Metallurgy, who has a minimum of 5 years experience in the estimation, assessment and evaluation of mineral resources and ore reserves. Gary Kenneth Thompson has significant experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 1999 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Gary Kenneth Thompson consents to the inclusion in this report of these matters based on the information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97.

Name of entity

Plenty River Corporation Limited

ACN or ARBN

13 009 607 676

Quarter ended ("current quarter")

30 September 2004

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000 30/09/04	Year to date \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(160)	(160)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(160)	(160)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Project Development	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(160)	(160)
1.13	Total operating and investing cash flows (brought forward)		
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	166	166
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-

/CJ

Appendix 5B
Mining exploration entity quarterly report

1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – rebate BAS. Rental collected	-	-
	Net financing cash flows	166	166
	Net increase (decrease) in cash held	6	6
1.20	Cash at beginning of quarter/year to date	13	13
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	19	19

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000 30/09/04
1.23	Aggregate amount of payments to the parties included in item 1.2	-
	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000 30/09/04	Amount used \$A'000 30/09/04
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000 31/12/04
4.1 Exploration and evaluation	-
4.2 Development – Ammonia/urea project	-
Total	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000 30/09/04	Previous quarter \$A'000 30/06/04
5.1 Cash on hand and at bank	19	19
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	19	19

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-

+ See chapter 19 for defined terms.

6.2	Interests in mining tenements acquired or increased	EPM 14641 (Qld.)	Application by wholly owned subsidiary, Plentex Limited - 100% (awaiting grant)	-	100%
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+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

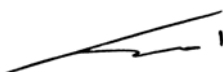
		Number issued	Number quoted	Issue Price (cents)	Paid-up value (cents)
7.1	Preference +securities (description)	-	-	-	-
7.2	Issued during quarter				
7.3	+Ordinary securities	55,798,921	55,798,921	-	Fully Paid
7.4	Issued during quarter	1,640,834	1,640,834	9 cents	Fully Paid
7.5	+Convertible debt securities (description and conversion factor)				
7.6	Issued during quarter				
7.7	Options (description and conversion factor)	Unlisted Nil	Unlisted Nil	Unlisted Exercise Price 20 cents	Unlisted Expired 15 August 2004
7.8	Issued during quarter (quoted)	Nil	Nil	N/A	N/A
7.9	Exercised during quarter (quoted)	<i>Unlisted</i> Nil	<i>Unlisted</i> Nil	-	-
7.10	Expired during quarter	<i>Unlisted</i> 250,000	<i>Unlisted</i> Nil	<i>Exercise Price</i> 20 cents	Nil
7.11	Debentures (totals only)	Nil	---		
7.12	Unsecured notes (totals only)	Nil	---		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.



Sign here:

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..... Date: 29 October 2004.
(Director/Company Secretary)

Print name: **PETER CLIVE STREADER**

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 The definitions in, and provisions of, AASB 1022: *Accounting for Extractive Industries* and AASB 1026: *Statement of Cash Flows* apply to this report.

4 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.