

**Media Release**

New York, NY, USA / Vienna, Austria | 20 May 2015, 3 pm CET

## **Borealis and Agrifos announce major milestone in the development of ammonia production project in US**

Borealis, a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers, and Agrifos Partners LLC, a project development company, have reached a preliminary agreement to jointly develop a world-scale ammonia project through Gulf Coast Ammonia LLC (GCA). The plant will be located within an existing chemical site along the Texas Gulf Coast. GCA is in final negotiations with a short list of strategic site owners and expects to make a final site selection within the coming few months.

The brownfield, hydrogen-based project is scheduled for mechanical completion and start-up in early 2019. The site will benefit from existing infrastructure and excellent logistics capabilities which will allow product supply to a variety of long-term off-takers and customers.

The final agreement with Borealis, which would be subject to its Supervisory Board approval, contemplates significant equity participation by Borealis in the project. Borealis would also enter into a long-term offtake agreement for approximately 40% of the ammonia produced by the plant.

“We have a clear strategy of expanding our global nitrogen business,” says Markku Korvenranta, Borealis Executive Vice President Base Chemicals. “By participating in the development of, construction of and offtake from a world-scale project in the U.S., Borealis is able to secure long-term supplies of ammonia based on the attractive economics of U.S. natural gas. It also is a key step in the Borealis goal to sell 10 million tons of nitrogen-based fertilizer products per year by 2020. Gulf Coast Ammonia’s project is all the more compelling because it builds on existing site capabilities and assets along the US Gulf Coast.”

GCA is a company formed by Agrifos Partners LLC to develop a world-scale ammonia plant along the Texas Gulf Coast. The project will utilise hydrogen and nitrogen feedstock, with pricing linked to US natural gas indexes. Agrifos has extensive experience in acquiring, developing and operating fertilizer production assets. The company expects to make further announcements in the near future concerning additional product offtake commitments, feedstock supply arrangements, permitting and construction contracts.

Gulf Coast Ammonia has engaged Macquarie Capital to serve as its financial advisor for the arrangement of a non-recourse project financing. Macquarie Capital recently acted as advisor to Freeport LNG Expansion, L.P., a liquefied natural gas project. The company has also engaged Vinson & Elkins LLP as legal counsel for the project. Vinson & Elkins has recent experience with ammonia projects in the US Gulf, having served as outside counsel to Dyno Nobel for its ammonia manufacturing plant in Waggaman, Louisiana.

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**Agrifos Partners LLC** is a privately owned development company. The owners of Agrifos have been involved in numerous transactions in the fertilizer sector and have owned and operated several fertilizer assets over the past decades.

**Gulf Coast Ammonia LLC** was formed by Agrifos Partners LLC to establish a world-scale ammonia plant along the Texas Gulf Coast. In development since 2012, the project will utilize hydrogen and nitrogen feedstock, with pricing linked to US natural gas indexes. The company expects to make further announcements in the near future concerning site selection, additional product offtake commitments, feedstock supply arrangements, permits and construction contracts.

**Macquarie Capital** comprises Macquarie Group's corporate advisory, capital markets and principal investing capabilities. Macquarie Capital's expertise spans a variety of industry sectors including telecommunications, media, entertainment, gaming, financial institutions, industrials, energy, resources, real estate, infrastructure, utilities and renewables. For more information, visit [www.macquarie.com/us](http://www.macquarie.com/us)

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**Borealis** is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. With headquarters in Vienna, Austria, Borealis currently employs around 6,500 and operates in over 120 countries. It generated EUR 8.3 billion in sales revenue in 2014. The International Petroleum Investment Company (IPIC) of Abu Dhabi owns 64% of the company, with the remaining 36% owned by OMV, the leading energy group in the European growth belt. Borealis provides services and products to customers around the world in collaboration with Borouge, a joint venture with the Abu Dhabi National Oil Company (ADNOC).

Building on its proprietary Borstar® and Borlink™ technologies and 50 years of experience in polyolefins, Borealis and Borouge support key industries including infrastructure, automotive and advanced packaging.

The Borouge 3 plant expansion in Abu Dhabi will be fully operational in 2015. Borouge 3 will deliver an additional 2.5 million tonnes of capacity when fully ramped up, bringing the total Borouge capacity to 4.5 million tonnes. Borealis and Borouge will then have approximately 8 million tonnes of polyolefin capacity.

Borealis offers a wide range of base chemicals, including melamine, phenol, acetone, ethylene, propylene, butadiene and pygas, servicing a wide range of industries. Together with Borouge the two companies will produce approximately 6 million tonnes of Base Chemicals in 2015.

Borealis also creates real value for the agricultural industry with a large portfolio of fertilizers and technical nitrogen products. The company distributes approximately 5 million tonnes per year.

Borealis and Borouge aim to proactively benefit society by taking on real societal challenges and offering real solutions. Both companies are committed to the principles of Responsible Care®, an initiative to improve safety performance within the chemical industry, and contribute to solve the world's water and sanitation challenges through product innovation and their Water for the World™ programme.

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