## CHEMSYSTEMS SBA PROGRAM

## Ammonia and Urea Q2 2012

August 2012



1 King's Arms Yard, London EC2R 7AF, UK Tel: +44 20 7950 1600 Fax: +44 20 7950 1550

This Report was prepared by Nexant, Inc ("Nexant") and is part of the SBA Ammonia/Urea Program. Except where specifically stated otherwise in this Report, the information contained herein is prepared on the basis of information that is publicly available, and contains no confidential third party technical information to the best knowledge of Nexant. Aforesaid information has not been independently verified or otherwise examined to determine its accuracy, completeness or financial feasibility. Neither NEXANT, Subscriber nor any person acting on behalf of either assumes any liabilities with respect to the use of or for damages resulting from the use of any information contained in this Report. Nexant does not represent or warrant that any assumed conditions will come to pass.

The Report is submitted on the understanding that the Subscriber will maintain the contents confidential except for the Subscriber's internal use. The Report should not be reproduced, distributed or used without first obtaining prior written consent by Nexant. Each Subscriber agrees to use reasonable effort to protect the confidential nature of the Report.

Copyright © by Nexant Inc. 2012. All rights reserved.

## **Contents**

Section Page			
1	Executive Summary		1-1
	1.1	INTRODUCTION	1-1
	1.2	MARKET OVERVIEW	1-1
	1.3	PRICING AND PROFITABILITY	1-1
2	Capacity Round-Up		2-1
	2.1	EXISTING CAPACITY	2-1
	2.2	NEW PROJECTS	2-3
3	Profitability and Pricing		3-1
	3.1	PRICING UPDATE	3-1
	3.2	PROFITABILITY ANALYSIS	3-3
Арр	endix		Page
A	Historic Ammonia Pricing.		A-1
В	Historic Urea Pricing		B-1
C	Energy Prices		C-1
Figu	re		Page
3.1	Globa	al Ammonia Pricing	3-1
3.2	Global Urea Pricing		3-2
3.3	Ammonia Variable Cost Margins		3-6
3.4	Amm	Ammonia Cash Cost Margins	
3.5	Urea	Urea Variable Cost Margins	
3.6	Urea	Cash Cost Margins	3-7
Tab	е		Page
2.1	New	Ammonia Plants - Status Update (excluding China)	2-5
2.2	New	Ammonia Plants - Update (China)	2-6
2.3	New	New Urea Plants Status - Update (excluding China)	
2.4	New	Urea Plants - Update (China)	2-8
3.1	Amm	onia Costs, Revenues, Margins and Returns	3-4
3.2	Urea	Costs, Revenues, Margins and Returns	3-5

