



Strategic Business Analysis

Ammonia and Urea Quarterly Business Update

Quarter 4

January 2015



This Report was prepared by Nexant, Inc. ("Nexant") and is part of the NexantThinking™ suite. 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. 2015. 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
2.1.1 Americas.....	2-1
2.1.2 Europe	2-1
2.1.3 Africa	2-1
2.2 NEW PROJECTS.....	2-2
2.2.1 Americas.....	2-2
2.2.2 Europe	2-3
2.2.3 Africa	2-3
2.2.4 Middle East.....	2-3
2.2.5 Asia Pacific	2-3
3 Profitability and Pricing	3-1
3.1 PRICING UPDATE.....	3-1
3.2 PROFITABILITY ANALYSIS	3-3
 Appendix	 Page
A Historic Ammonia Pricing	A-1
B Historic Urea Pricing.....	B-1
C Energy Prices	C-1

Figure	Page
3.1 Global Ammonia Pricing	3-1
3.2 Global Urea Pricing	3-2
3.3 Ammonia Variable Cost Margins	3-7
3.4 Ammonia Cash Cost Margins	3-7
3.5 Urea Variable Cost Margins	3-8
3.6 Urea Cash Cost Margins	3-8

Table	Page
2.1 New Ammonia Plants - Status Update (excluding China)	2-4
2.2 New Ammonia Plants - Update (China)	2-5
2.3 New Urea Plants Status - Update (excluding China)	2-6
2.4 New Urea Plants - Update (China)	2-7
3.1 Ammonia Costs, Revenues, Margins and Returns	3-4
3.2 Urea Costs, Revenues, Margins and Returns	3-5