



Yara and BASF to build ammonia plant in Freeport, Texas

Oslo, February 19, 2015: Yara International and BASF Group have agreed to build a world scale ammonia plant at BASF's site in Freeport, Texas. The plant will use hydrogen as raw material, reducing capital expenditures (capex), maintenance and carbon dioxide emissions significantly.

"I am very pleased to announce this highly value creating project together with BASF. The use of hydrogen as raw material reduces capex, maintenance and carbon dioxide emissions significantly. This project will further strengthen Yara's position in the global ammonia market and increase our footprint in the United States. I would like to thank BASF for putting trust in Yara and we look forward to a long and good relationship," said Torgeir Kvidal, president and CEO of Yara International.

"Through the joint investment with Yara, we can take advantage of world-scale production economics and the attractive raw material costs in the United States. We will thus strengthen our Freeport Verbund and the competitiveness of our polyamide 6 value chain in the region. We look forward to a successful partnership with Yara," said Wayne T. Smith, member of the Board of Executive Directors of BASF SE, responsible for the Chemicals segment.

The ammonia plant will be owned 68 percent by Yara and 32 percent by BASF and located on BASF's site in Freeport. The plant will have a capacity of about 750,000 metric tons per year. Each party will off-take ammonia from the plant in accordance with its equity share. Total capital investment for the plant is estimated at USD 600 million. Yara will in addition build an ammonia tank at the BASF terminal bringing Yara's total investment to USD 490 million. BASF will in addition upgrade its current terminal and pipeline assets.

The hydrogen technology reduces capex and maintenance significantly compared to a traditional natural gas based ammonia plant. The technology also allows for lower carbon dioxide emissions. A long-term supply agreement for nitrogen and hydrogen has been signed with Praxair Inc, the largest industrial gases company in North America, linking the feedstock variable cost to the advantageous natural gas prices available at the U.S. Gulf coast.

KBR, Inc, Houston, Texas, has been awarded a fixed price turnkey contract for the engineering, procurement and construction. The plant is expected to be completed by the end of 2017. Yara will manage construction of the plant while BASF will operate the plant and the export terminal.

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About Yara

Yara delivers solutions for sustainable agriculture and the environment. Our fertilizers and crop nutrition programs help produce the food required for the growing world population. Our industrial products and solutions reduce emissions, improve air quality and support safe and efficient operations. Founded in Norway in 1905, Yara has a worldwide presence with sales to 150 countries. Safety is always our top priority.

www.yara.com

About BASF

BASF Corporation, headquartered in Florham Park, New Jersey, is the North American affiliate of BASF SE, Ludwigshafen, Germany. BASF has nearly 17,000 employees in North America, and had sales of \$19.3 billion in 2013. For more information about BASF's North American operations, visit www.basf.us.

At BASF, we create chemistry – and have been doing so for 150 years. Our portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. As the world's leading chemical company, we combine economic success with environmental protection and social responsibility. Through science and innovation, we enable our customers in nearly every industry to meet the current and future needs of society. Our products and solutions contribute to conserving resources, ensuring nutrition and improving quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF had sales of about €74 billion in 2013 and over 112,000 employees as of the end of the year. Further information on BASF is available on the Internet at www.basf.com.