

OCI Global and NuStar Sign Agreement to Deliver Ammonia into the Midwes

May 3, 2023 – OCI Global (Euronext: OCI) and NuStar Energy L.P. (NYSE: NS) announced today that their affiliates have entered into an agreement for OCI Global (“OCI”) to transport ammonia on a new segment of NuStar Pipeline Operating Partnership L.P.’s (“NuStar”) Ammonia Pipeline System.

Under the arrangement, NuStar will install a new 14-mile pipeline segment that will connect OCI’s Nitrogen facility in Wever, Iowa with NuStar’s existing 2,000-mile anhydrous ammonia pipeline, which originates in Louisiana and flows northbound to various points in the Midwest, including Iowa.

OCI’s facility uses ammonia to make fertilizer and produce DEF (Diesel Exhaust Fluid), which reduces emissions from diesel engines in cars, as well as light and heavy-duty trucks, farming equipment and other heavy machinery.

“We are pleased to partner with OCI to better serve the area’s agricultural needs by delivering more ammonia to help meet fertilizer demand for local and regional farmers and by providing additional ammonia to serve as feedstock for upgraded products,” said NuStar Chairman and CEO Brad Barron. “We expect this healthy-return, low-capital project to meaningfully increase utilization of our system in 2024 and we are excited about the growing interest in ammonia – to reduce emissions and supply the globe – which we expect to generate significant additional opportunities for even greater utilization of our Ammonia Pipeline System over the next several years.”

The agreement has been executed by both companies and commits NuStar to provide transportation services under a long-term arrangement. To facilitate the project, OCI has committed \$30 million in capital expenditures for new ammonia cooling and storage infrastructure. The proposed infrastructure will allow OCI to economically transport ammonia from the Gulf Coast and capitalize on its existing storage capacity.

OCI, which owns and operates U.S. ammonia production facilities in Wever, Iowa and Beaumont, Texas, is expected to bring an additional 1.1 million tons of blue ammonia capacity online in 2025 in the Gulf Coast.

“We are excited to work with NuStar, a leader in safe and responsible midstream operations. This highly cost-effective project will allow us to safely and sustainably reach new customers, strengthens our position in the premium US Midwest market and is one further step in our ammonia logistics,” said OCI Global CEO Ahmed El-Hoshy. “As one of the most efficient manufacturing plants in the nation, OCI Nitrogen, Iowa is leading the way in providing US farmers a stable, high-quality source of nitrogen fertilizer products. Our plant in Iowa has been central to our US operations since starting up in 2017 and we look forward to continued investment in the region.”

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Attachments

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Thu, 05/04/2023 - 01:09

Company Announcement - General

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