Written by Samantha Kampman
Sunday, 09 September 2012 12:35

Orascom Construction Industries (OCI) announced today that its wholly owned subsidiary Iowa Fertilizer Company (IFCo) will build a new greenfield nitrogen fertilizer production plant in southeast Iowa to supply customers in the U.S. corn belt. The new plant will be located in Wever, within Lee County near the Mississippi River. Iowa is the top corn producing state in the United States and has the highest use of nitrogen-based fertilizer in the nation. IFCo's new plant will be the first world scale natural gas-based fertilizer plant built in the United States in nearly 25 years and will help reduce the country's dependence on imported fertilizers which exceeds 15 million metric tons of ammonia, urea, and urea ammonium nitrate (UAN) annually.

IFCo's new plant will utilize proven state-of-the-art production process technologies from world leaders. Kellogg Brown & Root LLC (KBR), Maire Tecnimont Stamicarbon (Tecnimont), and ThyssenKrupp Uhde (Uhde) have been selected to supply the process technologies for the plant which will produce between 1.5 – 2 million metric tons per year of ammonia, urea, urea ammonium nitrate (UAN) as well as diesel exhaust fluid (DEF), an environmentally-friendly fluid used to reduce emissions in diesel engines. Construction work on the plant is scheduled to begin later this year and will be completed by mid 2015.

The total investment cost is estimated to be US$ 1.4 billion and will be fundedwith a combination of equity and a tax-exempt bond issuance. The Iowa Finance Authority (IFA) has authorized IFCo to access bonding capacity under its private activity tax-exempt Midwestern Disaster Area bond program. In addition, the Iowa Economic Development Authority (IEDA) board unanimously approved a comprehensive state financial incentive package expected to provide state tax relief in the order of US$ 100 million. The Iowa Department of Transportation (IDOT) board will also consider financial assistance for project-related public infrastructure improvements.

The state of Iowa Governor, Terry Branstad, commented "I am pleased to welcome OCI to Iowa. Their project is the largest investment ever made in our state. The Iowa Fertilizer Company will bring high-paying permanent jobs to Lee County and will create approximately 2,500 construction jobs over the next three years. We believe this major capital investment will help invigorate economic development in an area of the state which has previously experienced significant challenges. We look forward to working closely with OCI and itsmanagement to ensure the successful completion of their project."

OCI Chief Executive Officer, Nassef Sawiris, commented "OCI is pleased to have selected the state of Iowa for its North American expansion and is looking forward to helping bring

permanent jobs and significant economic activity to Lee County and the state. Iowa Fertilizer Company is well-positioned to supply nitrogen-based fertilizer products to farmers in the corn belt and help reduce their substantial reliance on annual imports of fertilizer into the country. We intend to expand our presence in the United States and most recently agreed to acquire the Weitz Company, an Iowa-based construction company, which will play a major role in the construction of our new fertilizer plant."

About Orascom Construction Industries

OCI is one of Egypt's largest corporations employing more than 72,000 people in 35 countries around the globe. The OCI Fertilizer Group owns and operates nitrogenfertilizer plants in Egypt, the Netherlands, the United States, and Algeria and has an international distribution platform spanning from the Americas to Asia. The OCI Fertilizer Group ranks among the world's top fertilizer producers with a production capacity which will exceed 7.0 million metric tons in 2012. The OCI Construction Group provides international engineering and construction services primarily on infrastructure, industrial and high-end commercial projects in Europe, the Middle East and North Africa for public and privateclients. The OCI Construction Group ranks among the world's top global contractors.