

Yara and Burrup Holdings sign MoU

Yara International ASA and Burrup Holdings Pty Ltd (BHPL) have signed a Memorandum of Understanding to build a 350,000 ton p.a. technical ammonium nitrate (TAN) plant in Australia.

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According to the Oslo announcement, the plant will be built through the proposed 50/50 joint venture company Burrup Nitrates (BNPL).

The TAN plant would primarily supply the fast-growing iron ore mining operations in the Pilbara region of Australia. The plant will be built adjacent to the Burrup Fertiliser (BFPL) ammonia facility, which has been operating successfully since its commissioning in April 2006. The location of the new TAN plant will enable it to maximize synergies from competitive feedstock and utilities supplies. Yara will market the entire output from the plant.

The plant's close proximity to the Pilbara region together with adjacent ammonia supply gives it a distinct advantage over other Australian ammonium nitrate players, the company believes.

"Strong global demand for energy and minerals has created a tight supply-demand balance for technical ammonium nitrate. The combination of the competitive and well-located Burrup ammonia facility and Yara's experience in ammonium nitrate production and marketing creates an attractive expansion opportunity", says Thorleif Enger, President and CEO of Yara International.

BHPL is owned by Yara (30%) and Mr. Pankaj Oswal (70%), and owns the world's largest single train merchant ammonia plant, located at the Burrup Peninsula in North Western Australia.

(Aftenposten/Press release)

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