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OCI to Start Construction of New World-Scale Hydrogen-Based Blue Ammonia Facility in Texas with Production Expected in Q1 2025

- OCI to start construction of 1.1 mtpa blue ammonia facility with infrastructure to double capacity to 2.2 mtpa
- Leverages the recently signed US Inflation Reduction Act (IRA) to use 45Qs to reduce emissions by more than 70% on a life cycle basis compared to conventional ammonia production
- Optimal location in Texas with easy access to both the US and export markets including Europe and Asia to serve significant expected demand for clean hydrogen
- Complementary to OCI's Rotterdam ammonia throughput expansion to provide the full value chain with blue ammonia, to be delivered to customers using new ammonia-fueled vessels ensuring a minimal carbon footprint
- Project is well underway with EP contract awarded in March 2022 and long-lead equipment ordered
- Targeted start of production in Q1 2025

OCI N.V. (Euronext: OCI) today announced it will start construction of a world-scale 1.1 million ton per annum blue ammonia project in Beaumont, Texas, based on KBR technology. The passage of the US Inflation Reduction Act (IRA) and the enhanced 45Q credits in the Act strengthened the attractiveness of this project.

The US Gulf is a strategic location that allows the facility to serve both the US market and export clean ammonia as a hydrogen carrier to hydrogen deficit markets around the world such as Europe and Asia, as well as catering for expected significant demand from new applications including power and shipping fuels. The blue ammonia will be delivered to customers using future zero carbon ammonia-fueled engine ships, leveraging OCI's global infrastructure.

Nassef Sawiris, Executive Chairman of OCI N.V., commented: “The recent passage of the IRA, which bolsters the regulatory framework and competitiveness of clean ammonia in the US, in addition to technological developments in carbon sequestration, is supporting ammonia as a key driver of the energy transition. We believe OCI, a global leader in hydrogen, will play a pioneering role in the future of this industry.”

The project is well underway, with detailed engineering and procurement work having started earlier this year, and production targeted for Q1 2025. The project has been awarded to Maire Tecnimont on an EP (“Engineering & Procurement”) basis, critical long-lead pieces of equipment have been ordered, and site works are scheduled to start in the coming weeks.



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Capital expenditure is expected to be within OCI's guidance of up to \$450 million growth capex for the Group in 2023 as highlighted in the Q1 2022 results report. Utilities and available land have been sized to allow for doubling of the capacity by adding an additional 1.1 million ton per annum blue ammonia line in the future.

In June, OCI announced a tripling of throughput capacity at its Port of Rotterdam ammonia import terminal to 1.2 mtpa by 2023, to serve emerging ammonia demand for bunkering to ocean-going vessels and act as a hub to help decarbonize the EU and reduce its reliance on imported natural gas. The new facility is also positioned to supply blue ammonia to OCI's plants in the Netherlands. The company is currently running its ammonia production platform at c.40% of its 1.2 mtpa maximum capacity in the Netherlands due to the high gas prices but is able to operate value added downstream production and continue to address food security concerns with support from imported ammonia.

Ahmed El-Hoshy, CEO of OCI N.V. commented: “We have been working on this project over the past year to put us in a position to break ground by the end of this year. Alongside our existing blue and green ammonia projects in the US and the Netherlands, at Fertiglobe in the Middle East & North Africa, and our green methanol business, this facility will allow us to continue to build and strengthen our world-leading ammonia and clean fuels platform.”

“We are also very excited to extend our partnerships with Jefferson County, the City of Beaumont, Beaumont ISD, the special districts, and the State of Texas,” he continued. “Their efforts continue to make South-East Texas an attractive place to do business and we look forward to continued development in the area and working together to position the region as a clean energy leader.”

Blue ammonia is produced from hydrogen derived from natural gas where the CO₂ by-product is captured and sequestered. Green ammonia is produced from hydrogen based on renewable sources such as wind and solar rather than fossil fuels. This project has been designed to transition from blue to green ammonia production in the future as green hydrogen becomes available at larger scale.

OCI's two core products, ammonia and methanol, are the most promising hydrogen carriers to drive the hydrogen economy and enable the energy transition. As one of the largest producers and traders of ammonia and methanol globally, with a strategically located asset base and access to abundant low-cost renewable energy sources, OCI is well-positioned to benefit from the emerging demand for clean hydrogen and is exploring a variety of projects at its existing global sites in the United States, Europe and at Fertiglobe in the Middle East & North Africa to capitalize on this opportunity.



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About OCI N.V.

OCI N.V. (Euronext: OCI) is a leading global producer and distributor of hydrogen-based products providing low carbon fertilizers, fuels, and feedstock to agricultural, transportation, and industrial customers around the world. OCI's production capacity spans four continents and comprises approximately 16.2 million metric tons per year of hydrogen-based products including nitrogen fertilizers, methanol, biofuels, diesel exhaust fluid, melamine, and other products. OCI has more than 3,850 employees, is headquartered in the Netherlands and listed on Euronext in Amsterdam.

Learn more about OCI at www.oci.nl. You can also follow OCI on [Twitter](#) and [LinkedIn](#).

For additional information contact:

OCI N.V. Investor Relations:

Hans Zayed
Director
Email: hans.zayed@oci.nl

Tel: +31 (0) 6 18 251 367

For additional information on OCI:

www.oci.nl

OCI stock symbols: OCI / OCLNA / OCLAS

Honthorststraat 19
1071 DC Amsterdam
The Netherlands