



YARA SELLS AMMONIA FLEET TO BW GAS



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Yara - Rationale



- Ammonia is a key part of Yara's value chain and its industry shaper ambition
- Access to long term quality shipping capacity has been crucial for Yara's ability to develop a profitable ammonia trade activity and logistical optimization
- Ownership of ships is not necessary for Yara's ability to develop the ammonia business
- BW Gas has proven its ability to professionally develop, operate and manage a large shipping portfolio that should improve our ammonia business
- Financially Yara will spend up to USD 120 million of the cash proceed in extraordinary share buy backs within the 5% authorization expected to be approved by the General Meeting in May.



Background



- The transaction is taking place as:
 - A sale of shares and assets related to the LPG/ammonia fleet
 - Chartering-back the LPG/ammonia vessels on fixed terms and lengths
 - Establishment of a partnership for managing future transportation needs and fleet expansion investments
- A comprehensive sales process has been conducted, with several firm bidders for the business
- The price is USD 347 million. Yara's proceeds are USD 235 million net of shipping purchase



BW Gas - Rationale



- A partnership with a leading player such as Yara fits well with BW Gas' goal of becoming the preferred gas carrier
- By accessing future ammonia volumes from Yara the BW Gas fleet utilisation should improve
- The acquisition of Yara's LPG/ammonia fleet is an attractive addition to BW Gas' fleet and ensures additional growth

By way of outsourcing, Yara will get access to a flexible and competitive service from BW Gas - a leading gas transporter



The transaction

By a mix of assets and shares the acquisition includes the following vessels:

Vessel	To be renamed	Built	Cbm	Ownership	TC to Yara (years)
Acquired fleet					
Polar Viking	BW Herdis	2004	60,000	100%	10
Pacific Viking	BW Hesiod	2005	60,000	100%	10
Euro Viking	BW Havsol	1997	18,152	100%	5
Agri Viking	BW Havlur	1997	18,152	100%	3
Oscar Viking	BW Hermes	1983	24,981	100%	8
Bussewitz	BW Havlys	1983	17,640	100%	8
Baltic Viking	BW Helen	2000	6,060	100%	10
Charterparties					
K-Line (I)	-	2007	38,000	TC	15
K-Line (II)	-	2007	38,000	TC	15
Marola	-	2003	37,314	TC	13

- All vessels will be chartered back to Yara for periods of 3-15 years.
- The 3 TC vessels have been chartered-in for same period as to Yara



The transaction

- The parties have entered into a partnership agreement for managing future transportation requirements and fleet expansion investments
- Yara is the world's largest player in ammonia, trading more than 5 million tonnes per year and with ambitions to continue growth
- BW Gas is the world's leading gas shipping company with a clear strategy to grow the business by partnering with key customers
- The partnership includes:
 - The use of BW Gas as a preferred supplier at competitive prices
 - The establishment of a joint ammonia chartering and operations unit
 - The use of BW Gas as a vehicle for fleet expansion investments