

## **MEMORANDUM OF UNDERSTANDING SIGNED FOR A FERTILIZER COMPLEX IN THE UNITED STATES**

- Memorandum of Understanding signed with **Fatima Group Principals ("FGP")** and **Midwest Fertilizer Corporation ("MFC")** for direct negotiation of a **LSTK EPC contract** relating to a large scale, greenfield Fertilizer complex located in Indiana, United States
- Overall Project value is expected to be **approximately USD1.6 billion**

*Milan, 21 July 2014* – **Maire Tecnimont S.p.A. ("MET")** has signed a Memorandum of Understanding with **Fatima Group Principals ("FGP")** and **Midwest Fertilizer Corporation ("MFC")** which will form the basis for negotiating and finalizing agreements towards a strategic collaboration with respect to a large scale, greenfield **fertilizer complex** of MFC located in Mount Vernon, Posey County, **Indiana (United States)**. Fatima Group of Pakistan is a world-class investor and operator of several industrial projects in fertilizers, textiles, mining and energy as well as being involved in international trade of commodities. Fatima Group companies form one of the largest conglomerates in Pakistan with assets of approx. USD2.0 billion. It employs over 6,000 employees in its range of businesses.

Subject to financial close, currently expected within September 2014, MET will book the project. The value of Engineering, Procurement and Construction ("**EPC**") activities to be executed by MET or its subsidiaries shall be, subject to proper definition and agreement of the Scope of Work and agreement on terms and conditions of the EPC Contract, of approximately **USD1.6 billion**. FGP has already secured USD 1.259 billion of tax exempt financing under the United States Midwest Disaster Relief Program and its equity shall become part of the ownership structure along with other equity investors. In the meantime, MET's subsidiary Tecnimont has been awarded an engineering services contract to finalize and agree terms and conditions, scope of work and consequent final price of the LSTK EPC contract to be signed.

The MFC Project by MET shall consist of an ammonia plant (2,200 mtpd) based on KBR technology, urea synthesis plant (2,200 mtpd), urea granulation plant (1,200 mtpd), urea ammonium nitrate plant (4,300 mtpd) and diesel exhaust fuel plant (900 mtpd) based on Stamicarbon's technology – MET's licensing and IP centre, market leader in urea technology – nitric acid plant (1,530 mtpd) based on Borealis/GPN technology, and all associated off-sites and utilities. MET intends to build partnerships with important US construction players for the execution of

the works. The project completion will occur within 36 months after Notice-to-Proceed and is expected in Q4 2017.

MFC's state-of-the-art nitrogen fertilizer complex in Mt. Vernon, Posey County, Indiana will significantly enhance the local tax base and growth opportunities. It will create more than 2,500 construction jobs as well as 200 regular employment opportunities during operation. Thousands of U.S. farmers will also benefit from a home grown supply of fertilizer eliminating the long lead time cost and uncertainty that is associated with imports.

With this Memorandum of Understanding Maire Tecnimont Group takes a further step towards consolidating its leadership in fertilizers and strengthening its strategic presence in North America, today one of the most promising market in the hydrocarbon sector worldwide, being driven by the recent shale gas boom. Moreover, such a step is sound evidence of Maire Tecnimont's proactive project development and commercial approach characterized by an early involvement during the project development phase of strategic industrial initiatives such as the Midwest Fertilizer Corporation.

**Pierroberto Folgiero, Maire Tecnimont Chief Executive Officer**, commented: "We feel really honored to be engaged in this venture with such a prestigious global client. Further, such achievement confirms our outstanding distinctive competencies in the fertilizers segment, one the main pillars of our technology driven core business, and further positions the Maire Tecnimont Group in a strategic country like USA characterized by growing investments flows in downstream industries and very stable market environment".

#### **Maire Tecnimont SpA**

Maire Tecnimont S.p.A. is a company listed with the Milan stock exchange. It heads an industrial group (the Maire Tecnimont Group) that leads the international Engineering & Construction (E&C), Technology & Licensing and Energy Business Development & Ventures markets, with specific competences in plants, particularly in the hydrocarbons segment (Oil & Gas, Petrochemicals and Fertilisers), as well as in Power Generation and Infrastructures. The Maire Tecnimont Group operates in approximately 30 different countries, numbering around 45 operative companies and a workforce of about 4,300 employees, of whom over half work abroad. For more information: [www.mairetecnimont.com](http://www.mairetecnimont.com).

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