

Samsung wins \$843 million Bolivia Fertilizer project

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YPFB awards Samsung first ammonia and urea plant. Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), Bolivia's state-owned oil company, sent to Samsung Engineering Co., Ltd (Samsung) a notification of award (NOA) for a \$843 million fertilizer plant. YPFB is planning to build this fertilizer facility in the city of Entre Rios, in the State of Cochabamba, in Bolivia as part of Bolivia's Bicentenary Strategy. Bolivia is to celebrate the bicentenary of its creation in 2025. In that perspective, the Bolivian Government initiated multiple projects to develop the country in strategic areas to form what is called the Bolivia Bicentenary Strategy. Bolivia is a country rich of natural gas, so the monetization of this gas is part of this Bicentenary Strategy. The modernization of the agriculture is also part of this program. In this context, building a fertilizer plant is a project to contribute directly to both strategic initiatives and thus the development of the country. YPFB Fertilizer is a strategic project for Bolivia. With this fertilizer plant, Bolivia intends to increase its cultivation area from 2.5 million hectares to 105 million hectares. In respect with the actual and foreseeable demand from the domestic market, YPFB is planning to export 80% of the ammonia and urea produced to return \$340 million of annual revenues. For YPFB, the Bolivia Fertilizer project joins other strategic projects in progress: - \$1.5 billion Carrasco petrochemical complex of ethylene and polyethylene in Tarija- Gas condensate separation plants of Rio Grande in Santa Cruz and Gran Chaco in Tarija. Samsung signs its first contract in South America. With YPFB Bolivia Fertilizer project, Samsung takes a leap in signing its first contract in South America. According to the Notification of Award, the contract to be signed in September between Samsung Engineering and YPFB includes: - Front end Engineering and Design (FEED) - Engineering, Procurement and Construction (EPC) - Pre-commissioning. This contract has been signed on a Lump-Sum-Turn-Key basis between Samsung and YPFB. In addition to the FEED and EPC contract, Samsung signed a services contract to provide support to YPFB on the first two years of operations and maintenance. YPFB will act itself as the Project Manager of the Bolivia Fertilizer project. From the conceptual study of the project, the Bolivia Fertilizer plant will be designed to treat: - 50 million cf/d of natural gas and to produce: - 650,000 t/y of urea. - 400,000 t/y of ammonia. During its construction phase, the Bolivia Fertilizer project will employ 5850 persons. YPFB and Samsung are scheduling the completion and the commercial operations of the Bolivia Fertilizer project in 2015. With YPFB Bolivia Fertilizer project, Samsung Engineering makes its first step in South America to build its global Market Leadership as engineering company after its expansion in Iraq, Kazakhstan, Uzbekistan, Angola and Qatar.