

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	Nigeria
Name of Borrower:	Greenpark Petrochemical Company Limited (Nigeria)
Project Description:	<p>The estimated \$370 million project entails the purchase, dismantling, re-engineering, re-assembly and operation of one train of an ammonia/urea plant in Kenai, Alaska that has been “mothballed” since 2007 (the “Project”). The facility, which will be located in the Ossiomo Industrial Park in Edo State, Nigeria will have the design capacity to produce 1,840 metric tons per day (“MTPD”) of ammonia and 1,850 MTPD of granular urea, and will take advantage of the abundant natural gas feedstock that Nigeria can offer, including gas which is currently being flared. Fifty percent of the facility’s granular urea production will be sold into the domestic Nigerian market, and the balance will be exported to international markets, including other parts of Africa, South America and Western Europe.</p> <p>The Project will also have a significant environmental benefit, as it will reduce natural gas flaring by approximately 58 million standard cubic feet per day (“MMSCFD”), which helps Nigeria overcome a severe environmental hazard, as the direct flaring or burning of methane is one of the most potent creators of green house gases (“GHGs”). The flaring of 58 MMSCFD releases up to 1.9 million tons of carbon dioxide equivalent (CO_{2eq}) per year. The Project is expected to result in 371,000 tons of CO_{2eq} per year in gross, direct emissions. As a result of the reduction in gas flaring, the Project is expected to result in a net emission reduction of approximately 1.5 million tons of CO_{2eq} per year.</p> <p>The Project also fulfills a major priority of the Government of Nigeria (“GoN”) under the National Master Gas Plan by reducing gas flaring and monetizing the gas domestically in a value-added process. The Project has strong support from the host community, the Edo State Government, as well as from the Federal Government. The Project will result in the substantial creation of both construction and permanent jobs at the</p>

	<p>facility, contributing significantly to state revenues. Finally, the Project will have sustainable and competitive economics due to its competitive upfront capital costs and natural gas feedstock prices.</p>
Proposed OPIC Loan:	<p>An investment guaranty for up to \$250 million with an approximately 12-year tenor, including principal grace of up to three and one-half years, during the construction period.</p>
Total Project Costs:	<p>Approximately \$370 million.</p>
U.S. Nexus:	<p>Agrium, Inc., a publicly-traded corporation incorporated in Canada and traded on the New York and Toronto stock exchanges in respect of the sale of the ammonia/urea plant and an international urea off-take and marketing agreement.</p>
Foreign Sponsors:	<p>Ossiomo Investments Ltd. (Nigeria), Unity Nominees Ltd. (Nigeria), Gujarat Narmada Valley Fertilizers Company Limited (India), MBS Merchants Limited (Nigeria), Haldor Topsoe A/S (Denmark), and other Scandinavian investors.</p>
U.S. Economic Impact:	<p>The reconstituted facility will sell urea in Nigeria as well as supply a portion to Agrium, who is expected to sell in various emerging markets. Urea is commonly used in tropical climates; where Agrium is expected to sell most of its share from the facility, but the company may potentially also sell in the United States. Current U.S. production of urea is insufficient to meet U.S. demand, and on a global basis, the total planned international sale of exports of urea from this facility represents a fraction of one percent of total worldwide exports. As a result, there is no negative job impact expected from the urea production from this Project.</p> <p>The Project is expected to have a positive impact on U.S. job creation. The Project is expected to lead to U.S. procurement associated with the disassembly and transport of the facility. This investment is also expected to have a net positive impact on the U.S. balance of payments over the first five years.</p>
Developmental Effects:	<p>The Project will have a substantial development impact as only the second fertilizer facility in Nigeria. Despite</p>

	<p>the country’s immense agricultural potential, there is a consistent lack of physical, social and economic access to sufficient and nutritious food. Poor agricultural output and widespread poverty have resulted in extensive and persistent food insecurity, with as many as 70% of Nigerians estimated as food “insecure”. The Project will lead to increased access to and use of fertilizer in Nigeria, improving regional food security both in terms of quantity and quality.</p> <p>The Project will also have a significant environmental benefit, reducing natural gas flaring by approximately 58 MMSCFD. This is estimated to result in a net emission reduction of approximately 1.5 million tons of CO_{2eq} per year.</p> <p>Finally, the Project will result in the creation of hundreds of permanent skilled-jobs at the facility, which is located in a poor rural part of Nigeria, contributing significantly to human capacity and skills development in Nigeria.</p>
<p>Environment:</p>	<p>Screening: The Project has been reviewed against OPIC’s environmental and social policies and determined to be categorically eligible. The Project has been screened as Category A because potential impacts are diverse and potentially irreversible and the direct, gross greenhouse gas emissions from the Project are estimated to 371,000 tons of carbon dioxide equivalent per year. In addition to impacts and risks associated with any new construction and civil works (e.g., noise, dust, vehicle and equipment emissions, solid and hazardous waste management, occupational health and safety, housing, and sewage management), the main environmental and social impacts of the Project are associated with the accidental ammonia releases, fire and explosion, air emissions, wastewater discharges, and solid and hazardous waste disposal.</p> <p>Applicable Standards: Because the Project application was received by OPIC prior to January 1, 2012, International Finance Corporation’s (IFC) 2006 Performance Standards are applicable to the Project. OPIC’s environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following Performance Standards (PS):</p>

PS 1: Social and Environmental Assessment and Management Systems;
PS2: Labor and Working Conditions;
PS3: Pollution Prevention and Abatement; and
PS4: Community Health, Safety and Security.

The Project site is located within an industrial estate on a plot of land that has been leased to the Project by Ossiomo Investments. No new land will be required by the Project, and therefore, PS 5 (Land Acquisition and Involuntary Resettlement) is not triggered at this time. Because the Project is located within an existing industrial estate neither high value biodiversity or ecosystem services have been identified at or near the Project site. Therefore, PS 6 (Biodiversity Conservation and Sustainable Natural Resource Management) is not triggered by the Project at this time.

No indigenous people or other vulnerable ethnic minorities or clans have been identified in the Project's area of influence. All residents within the Project's area of influence belong to the same ethnic group. Because no significant adverse impacts on indigenous populations are anticipated, PS 7 (Indigenous Peoples) is not triggered by the Project at this time.

No cultural property has been identified in the Project's area of influence. The Project will be required to develop and implement a Chance Find Procedure aligned with the requirements of PS 8 (Cultural Heritage).

Consistent with the requirements of PS 3 (Pollution Prevention and Abatement), the Project will be required to comply with the applicable provisions of the IFC's Environmental, Health, and Safety (EHS) Guidelines for Nitrogenous Fertilizer Production (2007) and General Guidelines (2007). Workers' accommodation both during construction and operations will be required to meet the recommendations of "Workers' accommodation: process and standards" (a guidance note by IFC and the EBRD).

In addition to compliance with all the applicable environmental, health, and safety regulations of Nigeria, the Project will be required to comply with the applicable

provisions of the United States (U.S.) Environmental Protection Agency's (EPA) Acute Exposure Guideline Levels (AEGl) I for ammonia (Reference: <http://www.epa.gov/oppt/aegl/pubs/results88.htm> dated January 11, 2012) and to perform a Hazard and Operability (HAZOP) study which complies with both the requirements of paragraph 18 of IFC's Guidance Note 3 and is consistent with the applicable requirements of 40 U.S. Code of Federal Regulations (CFR) Part 68..

ESIA Disclosure: The ESIA for the Project was disclosed on OPIC Website from January 14, 2011 to March 14, 2011. No comments were received by OPIC.

Site Visit: OPIC visited the site of the existing facility in Alaska in May 2011 and the Project site near Benin in Nigeria in June 2011. Meetings were held with the nearby communities and local and national regulators.

Environmental and Social Risks: The major risks of the Project are associated with the accidental release of ammonia, which may pose serious hazard to nearby communities and workers at the Project.

The nearest residences to the Project are located approximately 4 kilometers from the Project site. Air dispersion modeling of a potentially harmful vapor cloud resulting from an accidental ammonia release indicates that hazardous concentrations of ammonia will be limited to a 3 kilometer radius around the point of release. Therefore all residences will be outside of the zone of critical impact. To further mitigate this unique community safety risk, an exclusion zone must be established around the facility to insure the continuing safety of the community. In the event of a major fire or explosion, damage may be expected to other industrial facilities within the industrial estate and some injuries may occur to facility personnel. A detailed hazard analysis will be required to identify opportunities to reduce the potential for accidental release of ammonia, fire, and explosion.

Occupational health and safety risks unique to this Project include those associated with construction activities and handling of flammable and explosive hydrogen and methane.

The cumulative impacts associated with the Project are manageable as only food industries are currently planned in the industrial estate. However, there exists a possibility of a few light industrial establishments to be constructed in the foreseeable future which could contribute to air emissions and effluent discharge in the immediate area of the Project.

Risk Mitigation: The Project has established an environmental and social management system that is consistent with the requirements of the IFC's Performance Standards. OPIC will require that the Project put in place procedures consistent with international best practices to address both construction safety and occupational and community risks associated with the accidental release of ammonia, fire and explosion.

The Project will follow internationally recognized best practices in construction safety, provide adequate housing to construction personnel, and properly manage the sewage generated from the construction camps. The Project will develop and implement a detailed Environmental and Social Impacts Management and Monitoring Plan (ESIMMP) which will address construction safety; the prevention of accidental ammonia releases, fire and explosions; air emissions; wastewater discharges; and solid and hazardous waste disposal.

The Project will also adopt detailed procedures relating to the safety of facilities' operations, including any recommendations made in the HAZOP analysis. Quantities of ammonia managed at the Project facilities will be minimized. Ambient concentrations of ammonia gas will be continuously monitored. Monitors will detect any accidental release of ammonia and automatically shut down the ammonia manufacturing facility. The Project will be required to develop and implement an Emergency Preparedness and Response Plan to ensure that appropriate emergency response measures are in place. The Project will also be required to develop and implement an Occupational Health and Safety Plan and a Fire Prevention and Control Plan both of which will be designed to ensure workplace safety.

Employees will be trained on emergency response measures in addition to being trained on safety and environmental and social impacts management. The Project has received the required approval from the Nigerian Ministry of the Environment, which requires that the Project maintain community safety.

The Project will draw water from a nearby river which is not expected to impact current users of that resource. In addition, the Project will treat and re-use all of its process wastewaters and storm water. Small quantities of sewage that will be generated from worker camps will be treated in an on-site treatment unit. A local gas company will supply natural gas to the Project. The natural gas pipeline will be constructed in an existing right of way and is located entirely in industrial estates. Nitrogen oxide emissions from furnaces and generators will comply with the IFC's General EHS Guidelines. Air emissions of other pollutants including ammonia and dust will comply with the recommended air emission levels in IFC's EHS Guidelines for Nitrogenous Fertilizer Production. Spent catalysts will be sent to the original manufacturer for metal recovery and subsequent disposal of residues as hazardous wastes. Other process residues will be treated to reduce the toxicity of contaminants present and the treated residues disposed in a manner to prevent significant environmental releases. The Project will be required to monitor other infrastructure impacts and take corrective actions when necessary.

Community Consultations: The Project held one public hearing in 2011 and also conducted several information sharing sessions during the scoping phase of the ESIA development (from 2010 through 2011) and after issuance of the ESIA. The public hearing was attended by the representatives of the nearby communities who later signed a Memorandum of Understanding with the Ossiomo Investments to formalize their role in Project implementation. The Ministry of Environment has confirmed that the Project has met all national requirements for public consultation and disclosure. In addition, the Project has established a grievance mechanism and assigned a Manager to address any community concerns as they may arise. The Project

	<p>has committed to quarterly reporting on Project status to concerned citizens and community groups.</p> <p>The Project will be required to: (i) submit Annual Reports on its environmental and social performance; (ii) develop and implement its Environmental and Social Impacts Management and Monitoring Plan, Occupational Health and Safety Plan, Fire Prevention and Control Plan, and an Emergency Response Plan; (iii) hold public consultations at least on a quarterly basis and address community concerns; and (iv) conduct an independent audit.</p>
Workers Rights:	<p>In accordance with OPIC’s Environmental and Social Policy Statement, this Project has been classified as <i>Special Consideration</i> due to the identification of higher risk employment factors and management factors. This Project will rely on a large pool of contracted workers from a number of different contractors; specifically, the reassembly of the plant in Nigeria will be completed by a Chinese contractor. At the peak of the construction phase, this Project will employ a large number of contracted workers, of which a significant portion of the managerial and technical workers will be Chinese foreign nationals. Neither GPC nor any of the contractors or subcontractors to the Project has been associated with any reports of labor rights abuses, but this risk merits increased oversight.</p> <p>Because the Project Company is relatively new with no previous experience applying similar labor standards to a relatively large workforce, OPIC will require the Project Company to engage an independent consultant to help develop and strengthen its ability to effectively manage the application of OPIC’s labor requirements (including the IFC Performance Standards) and mitigate general labor risks to the Project.</p> <p>Under <i>Special Consideration</i>, the Project will be required to demonstrate compliance with the OPIC labor requirements set forth in the loan agreement through the following measures: 1) require a third-party consultant to help develop the Project Company’s Human Resource policies and procedures prior to the start of the construction phase in Nigeria; 2) provide annual reports to OPIC that summarize general working conditions</p>

	<p>including non-compliance issues, grievances, and actions taken to improve the worker-management relationship; and 3) conduct an independent labor audit within three years of OPIC support.</p> <p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, timely payment of all wages, hours of work, minimum age, and hazardous conditions. The Project Company will also be required to operate in a manner consistent with the requirements of the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions. Standard and supplemental contract language will be applied to all workers of the Project.</p>
Human Rights:	This Project received Human Rights clearance on April 1, 2011.