

## **1. INTRODUCTION**

Ossiomo Investments Limited is leading the relocation of the Agrium Kenai Nitrogen Operations “North Plant” (“KNO”) Facility from Alaska to its site located at Ologbo, Edo State, Nigeria. The relocated Agrium KNO equipment will be utilized to construct a world-class 1.840 MTPD ammonia and 1,760 MTPD urea production plant at Ossiomo’s site.

The Agrium KNO Facility is the second largest ammonia-urea plant in the United States. The KNO Plant was mothballed in 2007 due to persistent lack of natural gas feedstock supply to the Plant.

Ossiomo is developing its 3,700-acre site into a major industrial park providing the catalyst for the development of an integrated petrochemical complex to utilize and monetize the extensive natural gas reserves around the site.

### **1.1 PROJECT BACKGROUND**

The Project entails the relocation of KNO Plants No.4, No.5 and No. 6 from Alaska to Ossiomo’s site at Ologbo, Nigeria to construct and operate a world scale ammonia and urea production facility. A two-phase production plan will be used for the project implementation. The plant will produce ammonia as an intermediate product and granular urea (1,760 MTPD) for sales on the domestic market (50%) and export (50%).

The plant will include Storage facilities for ammonia (30,000 MT) and urea (50,000 MT).

A 200-acre site within the 3,700-acre Ossiomo industrial site has been delineated for the Project. The site is located about 30 KM from Benin City, the capital of Edo State, Nigeria. The Project site located on the Ossiomo River and Koko Port is located about 35 KM from the site providing marine access for heavy equipment.

Natural gas will be supplied for the Project by the Nigerian Gas Company (“NGC”) from the Escravos-Lagos Pipeline (“ELPs”) which is located about 15 KM from the site. The NGC is developing a 15 KM connecting pipeline from the ELPS to the site.

Fresh water to the facility will come from the Ossiomo river which runs beside the Project site. The plant will include water treatment facilities to process raw water to meet the Plant’s requirements.

Electricity for plant operation will be self generated on site and diesel generators will provide power for black-start and emergency shut-down.

The Project will continue to use the licensed technology for both ammonia and urea production currently employed at KNO.

## **1.2 PURPOSE OF THE ENVIRONMENTAL SOCIAL AND IMPACT ASSESSMENT**

The primary objectives of the ESIA are:

- To meet the relevant Nigeria environmental policies and guidelines
- To meet the relevant World Bank/IFC Standards and guidelines for nitrogen fertilizer plants
- To meet the relevant provisions of the Equator Principles pertaining to Category “A” Project
- To meet other relevant international conventions
- To be conform with Ossiomo’s commitment to international norms for corporate social responsibility
- To provide local stakeholders an active forum to gain knowledge and participate in the Project; and
- To provide a baseline of environmental data essential to support an effective monitoring program for the Project.