



ODESA PORTSIDE PLANT: summary



Key highlights

- The Odesa Portside Plant (OPP) is a major chemical production company accounting for 17% of ammonia and 19% of urea production capacity in Ukraine.
- Additional function of the Plant is a transshipment of chemicals' (ammonia, urea, methanol) that comes from other enterprises.
- Transshipment services provide additional source of revenue (about 5% of total income).
- Apart from ammonia and urea OPP produces liquid nitrogen, carbon dioxide, liquid oxygen.
- The plant due to its strategic location and connection to the chemical transportation infrastructure is export oriented.
- Export sales account up to 90% of the output.
- Major export destinations are: Turkey, Africa, Latin America, Europe and USA.
- The OPP's financial performance is highly dependent on natural gas prices, with gas constituting of 80 % of the production costs.
- In 2014, apart from the natural gas supplies from the state-owned company Naftogaz OPP started importing gas from Hungary and Slovakia through reverse facilities.
- The Odesa Portside Plant is state-owned by 99.57%

Key financial and operating figures

kt.	2012	2013	2014	1H 2015
Production:				
– trade ammonia	442	710	569	331
– trade urea	929	760	603	472
Transshipment of the chemical production from other enterprises:				
– ammonia	2 868	2 874	2 503	1 203
– urea	1 327	820	151	124
– methanol	212	206	155	57
UAH. mn.				
Revenue	5 372	4 904	5 428	5 801
Gross profit	168	(811)	(39)	1 055
EBITDA	(13)	(1 037)	1 322	972
Net Profit	(116)	(1 144)	(270)	152
Short-term loans	79,93	–	4 603	1 175

* Credit for \$ 5 billion is provided for the Plant by the JSC "Oshadbank" for the purchase of natural gas from "Naftogaz Ukraine" according to the Resolution of CMU from 03.12.2014 y. №1186 -p "On measures to stabilize public joint stock company" Odessa Portside Plant. "

Ammonia pipeline and chemical producers



OPP capacities overview, mt pa

Production	
Ammonia	1.16
Urea	0.94
Transshipment	
Ammonia	4.0
Urea	3.6
Methanol	1.0



ODESA PORTSIDE PLANT: important facts



Assets included in the privatization

- **Ammonia production**

Two production units with total capacity of 900 ths t/year (450 ths t each). Maximum total capacity is 1 160 ths t/year due to the reconstruction and modernization. The units were commissioned in 1978 and 1979. The technologic process was developed by the “Kellogg” company and implemented by the French company “Creusot–Loire Enterprises” . Natural gas is a major raw material in the production process of ammonia.

- **Urea production**

Two production units with total capacity of 660 ths t/year (330 ths t each). Maximum total capacity is 942 ths t/year due to the reconstruction and modernization. The units were commissioned in 1984 and 1985. The production process was developed by the company “Stamicarbon”. The project is implemented by the Czech company “HEPOS”. Liquid ammonia and gaseous carbon dioxide are major raw materials in the production process of urea.

- **Ammonia transshipment**

Installed capacity of 4 mn t/year. Storage capacities is 120 ths t., maximum-allowed one-time storage of ammonia is 81 thousand. t. Ammonia from other producers comes in by both the ammonia pipeline Togliatti-Gorlovka-Odesa and railroad.

- **Urea transshipment**

Installed capacity of 3.6 mn t/year. Storage capacities is 80 ths t. Urea from other producers comes in by railroad.

- **Methanol transshipment**

Installed capacity of 1 mn t. Storage capacities is 38 ths t. Methanol from other producers comes in by railroad.



ODESA PORTSIDE PLANT: important facts



Natural gas

- The main raw material for nitrogen enterprises is natural gas. As a result of the natural gas processing the JSC "OPP" produces ammonia. Part ammonia is sent to storage and then goes for sale. The other part of the produced ammonia is directed to the production of urea. For the urea production, carbon dioxide (CO₂), obtained as a by-product in the production of ammonia, is also used.
- The main potential sources of natural gas supplies to the JSC "OPP" are: natural gas extracted in Ukraine, Russian natural gas and natural gas coming from Europe by the reverse pattern. In 2014 in addition to the natural gas supplied state company "Naftogaz Ukraine", the JSC "OPP" has imported gas from Hungary and Slovakia for the reverse pattern. Also part of the natural gas in 2014 supplied to the plant by private Ukrainian companies.
- The cost of natural gas sold by "Naftogaz" in the territory of Ukraine for industrial manufacturers established by the National Commission for State Regulation of Energy and Public Utilities on 01/07/2015 is 6600 UAH. / M³ (without . VAT, certain collection and transportation costs), which is \$ 303.9 / m³, the rate of NBU 21.72 USD. for USD on 04/08/2015. The cost of gas, taking into account transport costs and target fee is 7 395.5 UAH. / M³ or \$ 340.5 / m³.
- The OPP needs around 1.3 bn m³ of gas annually to fully utilize its production capacity.

Natural gas consumption, mn. m³

	Month	2013	2014	1H 2015
1H	January	121	118	117
	February	109	109	107
	March	114	119	117
	April	115	111	112
	May	118	113	115
	June	112	73	107
2H	July	115	59	
	August	105	59	
	September	46	56	
	October	114	59	
	November	115	58	
	December	120	99	
	Total	1 304	1 033	675



ODESA PORTSIDE PLANT: full costs and sales



COGS , UAH / t. of production

Expenses	Ammonia			Urea		
	2013	2014	1H 2015	2013	2014	1H 2015
Raw materials	3 974	4 843	6 604	2 420	2 906	3 941
Incl. natural gas	3 961	4 831	6 590	2 266	2 767	3 767
Utilities	141	157	167	584	679	814
Incl. electricity	65	72	84	165	186	224
Direct salaries	15	17	14	28	29	21
Other	308	91	69	312	150	220
Total	4 438	5 108	6 854	3 344	3 764	4 996

Export sales

Price	2013	2014	1H 2015
	UAH mn	UAH mn	UAH mn
Ammonia	2 558	2 842	2 650
Urea	1 741	2 038	2 267
Total	4 299	4 880	4 917

Export countries in 2013-1H 2015:

Ammonia: Turkey, Morocco, USA, Jordan, Israel, Belgium, etc.

Urea: Turkey, Nigeria, Mozambique, Senegal, Cote d'Ivoire, Ghana, Guatemala, Nicaragua, Pakistan, Brazil, etc.

Transshipment of third-party products

Product	2013		2014		1H 2015	
	kt	UAH mn	kt	UAH mn	kt	UAH mn
Ammonia	2 874	232	2 503	291	1 203	359
Urea	820	44	151	14	124	19
Methanol	206	16	155	19	57	12
Total	3 900	291	2 809	324	1 384	390