



PRESS RELEASE

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DOCUMENT DETAILS:

Document Reference	QAFCO/PR/ 071001 Eng.DOCX
For Immediate Release	October 01, 2007

QAFCO-5 NEGOTIATIONS IN PROGRESS BETWEEN QATAR FERTILISER COMPANY AND SNAMPROGETTI

DOHA, QATAR – Qatar Fertiliser Company Limited ("QAFCO") is finalizing negotiations with Snamprogetti of Italy concerning the implementation of QAFCO-5 project, which will be set up as part of QAFCO's complex in Mesaieed Industrial City. The project will consist of two ammonia plants, with a combined daily production capacity of 4,400 tonnes per day (2,200 tonnes per day each) and a urea plant with a production capacity of 3,800 tonnes per day.

The negotiations are set to be concluded by the end of September 2007, and the contract signing is slated for the end of the current year.

The total cost of the project and its financing sources have not yet been fixed. However, the picture will probably become clear in the course of the next two months,

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regarding the project's overall cost and financing methods, for which there might be several options to be explored.

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ABOUT QAFCO:

Qatar Fertiliser Company SAQ ("QAFCO") is the world's largest single site producer of urea and ammonia. It was incorporated in 1969 and is currently a joint venture between Industries Qatar QSC ("IQ") [75%], Fertiliser Holdings AS (10%) and Yara Netherland BV (15%). QAFCO is engaged in the manufacture and sale of ammonia and urea, which are sold primarily in the Indian sub-continent, and urea formaldehyde condensate.