MICRO CHEMIE

Ministerie van VROM
Directie Externe Veiligheid

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Europoort, 26-9-2006

Ammonia transport
Interim Report on studies for ammonia transport to Tertre, Belgium

Dear Mr. Moons,

In our covenant of earlier this year, we had agreed to study alternatives to the rail transport of anhydrous liquid ammonia to Tertre, Belgium. We would like to furnish you an interim report on the status of those studies.

Basically the studies have been performed by our business partner Kemira GrowHow. KGH owns the plant in Tertre, Belgium, and implements the transport. KGH also has the exclusive use of our ammonia terminal in Europoort, which we operate on their behalf.

A first study part was concerned with the barge access to Tertre, which plant is located nearby to the Canal du Sud. This channel is connected to other channels and actually there are two different routes possible from Rotterdam to Tertre. Both routes have limitations in size for barges. Standard barges cannot pass some channel sections in relation to width and bridges height. However, one can get to Tertre from Rotterdam with barges.

A second study part is concerned with the question of cold liquid ammonia or ambient temperature pressurized ammonia transport in barges. As you are aware, there are no cold liquid ammonia barges currently available in Europe. However, if special barges due to width and height limitations on the way would have to be used it may be sensible to use specially built cold liquid barges. There has not been taken any decision yet, as there are further discussions needed with barge yards and terminal considerations at Tertre. At our terminal in Europoort we could handle both types of barges. Also further safety considerations have to be taken into account as well as timing questions.

A third part of the study is concerned with the terminal at Tertre. Discussions have been taken up with the Belgian authorities, as there is formal approval needed for the terminal along the channel and for a pipeline from the terminal to the production plant. This pipeline has to cross a public road. KGH in agreement with the Belgian authorities has contracted with the University of Mons a risk assessment study. The study is to be completed in November 2006. It is anticipated that the study could affect the design of the terminal and the routing of the pipeline and consequently the detailed engineering of the facilities will only start after November 2006. KGH anticipates starting the barge transport in the first half of 2008.

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You will also remember from our covenant that you would then investigate contributions to the investment involved with the relocation from rail to barge transport. We have no figures yet for the involved investments but you will certainly conclude from the above descriptions that especially in the case of cold transport significant investments would be required. We shall keep you informed about these developments and certainly you will receive figures in due time such that your contribution can be taken into account with the investment decision.

We hope to have given you some insight into the high priority study investigations KGH and Micro are performing taking our response to public concerns into action. You are aware that we do not share the public concerns as ammonia has been transported by rail since 100 years and there is no significant accident reported since.

We have informed DCMR about our ammonia transports in 2005 via the different transport modes. Total export was some 100 000 ton ammonia. Rail transport took some 43% of that volume. Thus even in 2005 when our covenant was not concluded yet, we observed the now agreed rail transport limitation.

In 2006 we expect a total volume of export of some 150 000 ton ammonia. Rail transport will be less than 40% of that total volume. We have strived together with KGH to transport as much as possible via barge and sea going ships such that we shall achieve to stay within our agreed 60 000 ton per year ammonia rail transport limitation on the Rotterdam – Belgium route. Obviously, this statement is in anticipation of no calamities at the Tertre plant. In 2006 till end July 2006 we had a total of 80 000 ton ammonia exports out of which 57 % left site at Europoort with rail transport.

Micro is spending a lot of efforts to concede to the public concerns which are poorly based on facts as the 'ketenstudie' has demonstrated.

Sincerely Yours
MICRO Chemie BV

W. Balthasar

Dr. Wolff Balthasar

Deo van Wijk

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