



Northern Plains Nitrogen to Construct \$1.5 Billion Nitrogen Fertilizer Production Facility Northwest of Grand Forks

Northern Plains Nitrogen (NPN) plans to fund, design, construct, and operate a world scale nitrogen fertilizer production facility northwest of Grand Forks, North Dakota. The complex will produce nitrogen based fertilizers that are presently imported to the region for crop production on the millions of surrounding acres.



MISSION

NPN's mission is to develop a nitrogen-based fertilizer plant in the Northern Plains. It will utilize the increasing supplies of natural gas in North America and provide a reliable regional supply of fertilizer and reduce the dependence on imported fertilizer.



WHO IS NPN

NPN was conceived by growers in the northern plains based on research conducted by North Dakota State University. The research was funded by the Corn Growers Organizations of North Dakota, South Dakota, and Minnesota and the Manitoba Canola Growers Association as well as the North Dakota Soybean Council.



THE PROJECT



FINANCES

The project is estimated to cost **\$1.5 BILLION**

NPN is concluding a founders round of financing and has added Consolidated Sourcing Solutions, Dakota Dunes, SD and their respective companies as founding members. In addition, NPN is in discussions with major companies to share in the ownership of plant.



CAPACITY

The ammonia plant will have a capacity of **2,200 tons per day.**

The plant will produce in excess of **600,000 tons of nitrogen per year in more than 1,000,000 tons of shippable products.**



PRODUCTS

The complex will produce **anhydrous ammonia, urea, and UAN liquid fertilizers.**

Primary markets are north central United States and the southern portions of Manitoba and Saskatchewan.



PROJECT OVERVIEW



The Northern Plains Nitrogen, LLP (NPN) project was conceived to provide a secure supply of nitrogen based fertilizer for the growers in the North Central United States and the Canadian provinces of Manitoba and Saskatchewan. These growers are largely supplied with nitrogen based fertilizer products imported from countries such as Egypt, Oman, Qatar, China, and Saudi Arabia.

The time lapse from overseas production to arrival into the market is in excess of 70 days. The fluctuating Mississippi river levels can at times delay shipments which are trans-loaded into barges from seagoing vessels in Louisiana.

The shipment delays and potential in-season shortages of some fertilizer products in addition to long pre-payment terms created an opportunity for the NPN project in North Dakota. An additional driver for the project is the

abundance of economically priced natural gas feedstock for the production of ammonia. Natural gas accounts for about 80% of the cash production cost for ammonia. The recent introduction of new technology in gas and oil production has drastically changed the landscape in the natural gas world and natural gas based projects are very viable in North America.

Ammonia is upgraded to urea and UAN liquid fertilizers - both of which provide ease of storage and handling, plus application and agronomic benefits to the grower.

New shorter-season corn varieties that can be grown in the Northern Plains have dramatically increased the demand for nitrogen based fertilizers in the region. The increased acres planted with corn and other major nitrogen consumers such as canola, in combination with abundant and competitively priced natural gas, present compelling justification for new nitrogen based fertilizer production in the Northern Plains.

The plant will be a greenfield, world scale facility. NPN will utilize the best available technology and the plant will be among the most efficient, safe, and environmentally compliant in the world. The plant will meet or exceed both state and federal environmental regulations and will be designed and constructed according to the latest engineering standards.

A major component of the plant will be the ammonia unit, which will produce 2,200 tons per day of anhydrous ammonia. Most of the ammonia will serve as feedstock for the downstream urea and UAN plants. Ammonia will also be sold for direct application.

The capital cost of the plant is estimated to be \$1.5 billion. NPN has nearly completed the founders financing round and is in discussion with potential partners.

Once completed, NPN will employ approximately 135 full time employees in operations, maintenance, engineering, administration, and marketing. Preference will be given to qualified local applicants to staff the plant. Over approximately 24 months of construction, the workforce will peak at approximately 2,000 workers in all facets of construction such as welders, electricians, instrument technicians, machine operators, etc.

ADDITIONAL PROJECT FACTS

FEEDSTOCK: The primary feedstock is natural gas, which is abundant in North America. The proposed plant will consume approximately 80,000 MMBTUs/day and will utilize existing mainline pipelines and a dedicated lateral pipeline to the plant site. The other major inputs are water and air.

WATER SUPPLY: The anticipated primary water source will be grey water from the City of Grand Forks' treated wastewater effluent. The water requirement is approximately 4,000 gallons per minute. It is expected that the water demand for plant operations will be supplemented with a lesser amount of potable water supply from the City of Grand Forks. In addition, plans are to collect stormwater runoff water to be utilized as an additional source of water for the project, to the extent practical.

WASTEWATER EFFLUENT: It is anticipated that plant liquid effluent will be returned to the City of Grand Forks' wastewater treatment plant for treatment to ensure it meets applicable City and State standards before discharge to the Red River of the North.

MARKETS: The primary markets will be the North Central United States and the southern portion of the provinces of Manitoba and Saskatchewan.

WORKFORCE: The plant will employ a peak construction workforce of approximately 2,000 workers and provide permanent jobs for approximately 135 highly trained and skilled people.

GRAND FORKS

The Grand Forks Region Economic Development Corporation and City of Grand Forks representatives have assisted NPN with site location, required inputs, and have facilitated meetings with local business representatives.

NORTH DAKOTA

The State of North Dakota provides an excellent business environment and the state has excellent programs to attract and support an operation of this magnitude.



PLANT SITE

The proposed plant site is located east of the Grand Forks wastewater ponds and south of the solid waste landfill site. This site satisfies the following parameters necessary for the project:

- Adequate acres for the plant, including ponds to store stormwater run-off for additional water supply (320 acres under option, plus land for rail access)
- Pipeline access - 80,000 MMBTUs/day @ 700 psig
- Water (4,000 gpm) (Grey water provided by the City of Grand Forks)
- Wastewater disposal access (City of Grand Forks wastewater facility)
- Highway access (Interstate 29 for north/south and Highway #2 for east/west)
- Transmission lines (12-15/MVA), (69 KV line immediately adjacent to the south)
- Level grade
- Labor (The City of Grand Forks and surrounding communities)

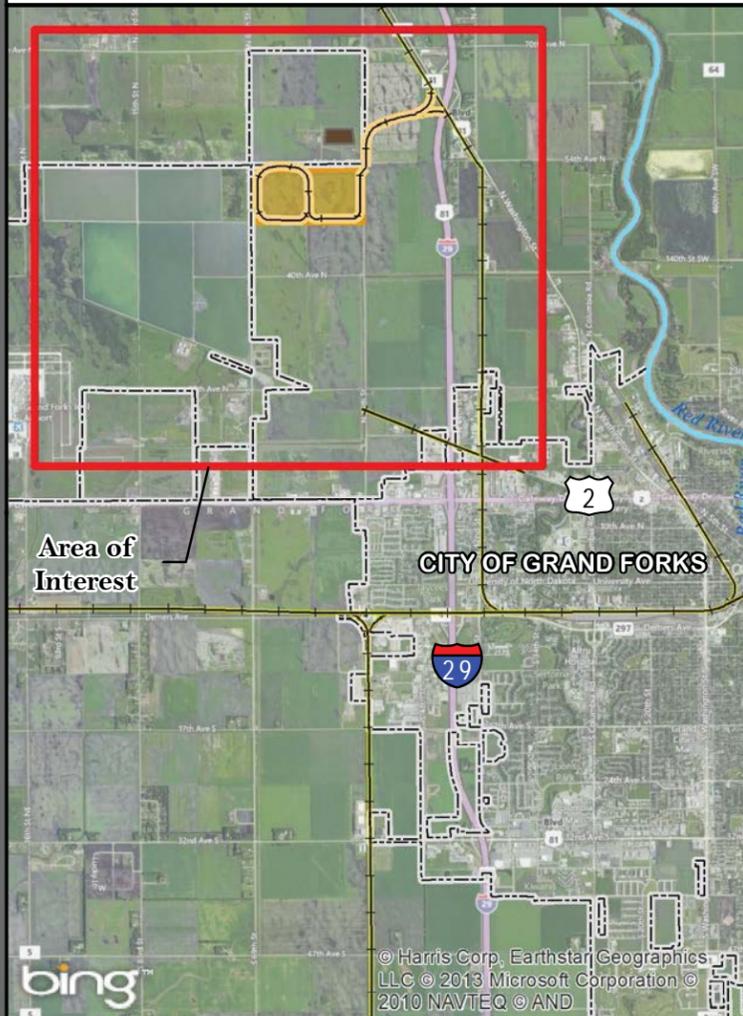
PRELIMINARY SCHEDULE

NPN has completed the site selection process and now is initiating the engineering pre-feed study. NPN anticipates construction will begin during the spring of 2015 and the plant will be online during the spring of 2017.





GRAND FORKS Fertilizer Production Site



Sanitary System

- Lift Station
- Wastewater Treatment Plant

- Grey Water Supply
- ForceMain

Water Supply

- Planned Waterline
- Other Water Main
- 16" Water Main

Power Supply

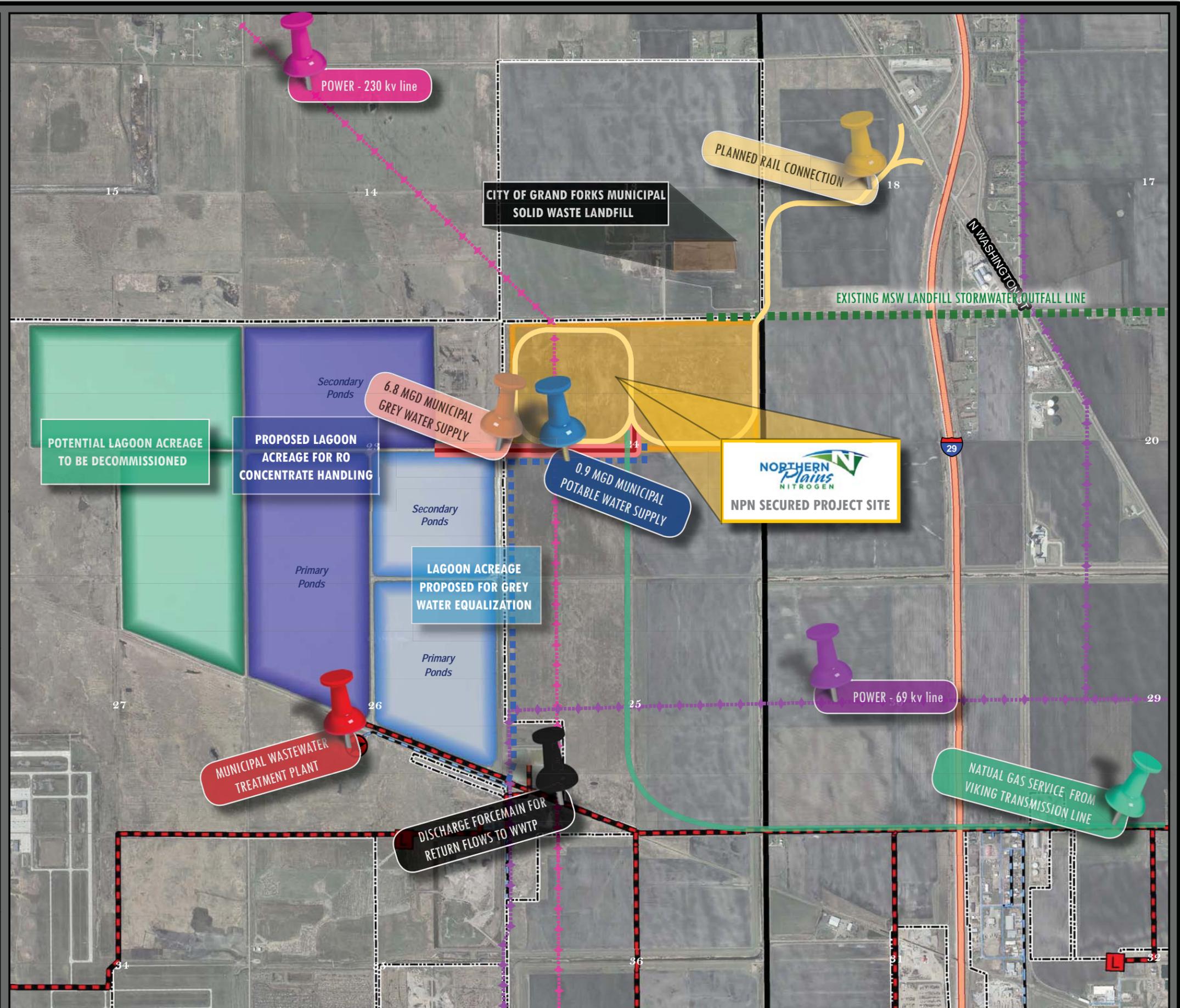
- Power - 230 kv line
- Power - 69 kv line

Other

- Grand Forks City Limits
- Planned Rail Connection
- MSW Landfill Storm Outfall

LAST UPDATED: 5/7/2013

PREPARED BY:



NORTHERN PLAINS NITROGEN (NPN) EXECUTIVE TEAM

DON POTTINGER CEO

For more than four decades, Don Pottinger has been involved in production agriculture around the globe through his positions as Vice-President of Global Partner Relations for AGCO Corporation, President of AG-Chem Equipment, President of J.R. Simplot's Agribusiness Group, and President and CEO of Saskferco (now Yara). Before taking the position of CEO for NPN, Mr. Pottinger operated Don Pottinger Consulting, LLC which worked largely with top fertilizer and chemical retailers in North America. Mr. Pottinger has served on several national boards including the Canadian Fertilizer Institute, the Association of Ag-Retailers, the Fertilizer Institute, and more recently, as Chairman of the Fluid Fertilizer Association.

LARRY MACKIE COO

Larry Mackie has more than 43 years of experience in nitrogen plant development and plant operations. He graduated from the University of Manitoba with a

Bachelor of Science Degree in Mechanical Engineering. He has been involved in numerous nitrogen projects from greenfield complexes to plant relocations all over the globe. Larry was previously plant manager and director of Simplot Canada's Brandon plant and has consulted in the fertilizer industry for the past 19 years prior to joining NPN as COO.

EUGENE SETKA Energy Consulting

Since deregulation of the natural gas industry in 1986, Eugene Setka has specialized in the market for natural gas, acting as a negotiator for a large number of industrial and institutional consumers for supply procurement, transportation, gas storage, and regulatory arrangements. Mr. Setka founded France Financial Consulting (FFC), now a division of Twin Eagle Resource Management Canada, LLC, which negotiates both long and short term contracts for the purchase of natural gas and electricity serving approximately 50 industrial and institutional consumers in Western Canada and the United States. Mr. Setka is also the Chairman of the Saskatchewan Industrial Energy Consumers Association ("SIECA").

NORTHERN PLAINS NITROGEN (NPN) BOARD OF DIRECTORS

DARIN ANDERSON President, Board of Directors

Darin Anderson is a farmer from the Valley City area and is currently serving his third term as President of the North Dakota Corn Growers Association. Mr. Anderson also serves as the past Chairman of the Northern Corn Development Corporation. Prior to these leadership roles, he served for two years as Vice President of the North Dakota Corn Growers Association, Chairman and Vice Chairman of the Barnes County Marketing Club and also Chairman of the Barnes County Crop Improvement Association. He graduated in 1999 with a Bachelor of Science Degree in Agricultural Economics from North Dakota State University with an emphasis in Farm Management and AgriBusiness.

LARRY A. HOFFMAN Secretary, Board of Directors

Larry Hoffman is a semi-retired farmer who participates in a joint venture with his son and brother growing

corn, soybeans, wheat, alfalfa, and also leasing their remaining cowherd in the Wheatland, ND area. Mr. Hoffman attained a Bachelor of Science degree from North Dakota State University in 1966, majoring in animal science, with minors in agricultural economics and general agriculture. He currently serves as At-Large Director of North Dakota Corn Growers and is a member of the National Corn Growers Research and Business Development Action Team. Mr. Hoffman volunteers as a first responder, serves on several cooperative boards, and is a 4-H leader, among other community involvement positions.

DUANE DOWS Treasure, Board of Directors

Mr. Duane Dows farms near the Page, ND area in partnership with his brother, son, and nephew, raising corn and soybeans and incorporating extensive use of irrigation and drain tile. Mr. Dows attained a bachelor's degree in Agricultural Economics from North Dakota

State University in 1971. He currently serves as Chairman of Page Development Corporation, on the Board of Directors of North Dakota State University Research Foundation, and as a member of the Page Community Club. Mr. Dows formerly served as Chairman of Page Properties Corporation, Chairman of Dakota Renewable Fuels, Chairman of the North Dakota Corn Utilization Council, and Chairman of Our Savior Lutheran Church Council.

BILL WHIPPLE Board of Directors

Bill Whipple manages 300 acres of CRP and operates a custom pasturing business on 4,800 acres of native pasture with rotational grazing units. He incorporates no-till farming practices raising corn and soybeans on his farm. He has been using no-till farming practices since 1985 and established his rotational pasture systems in 1980. He has been a member of the South Dakota Corn Utilization (SDCU) Board since 2008. In addition to his position on the SDCU Board, Mr. Whipple also held the positions of Vice President and Chairman on the South Dakota Corn Growers Association Board. He was a founding Director of Northern Growers, LLC. Mr. Whipple attained a Bachelor of Science Degree in Animal Science from South Dakota State University.

ADM. BILL OWENS Board of Directors

Admiral Owens, a native of Bismarck, ND and former Vice Chairman of the Joint Chiefs of Staff, currently is the Chairman of AEA Investors ASIA located in Hong Kong and executive Chairman of Prometheus, Beijing. He serves on the Polycom, Wipro, and Viasystems Group boards, is the Vice Chairman of the NYSE for Asia, and is currently the Chairman of CenturyLink Telecom (the third largest telecom company in the US). He is the non-executive Chairman of the private companies, Yangtze, Intelius, and FlowMobile.

Admiral Owens has founded five technology companies, served on the Board of Directors of more than 20 public companies, written more than 50 articles on national security, and authored several books. He is a 1962 graduate of the U.S. Naval Academy with a bachelor's degree in Mathematics. Additionally, he holds bachelor and master degrees in politics, philosophy and economics from Oxford University, and a master's

degree in management from George Washington University. He has received numerous state, national, and international awards and recognition.

Since 2007, Owens has been very active in significant philanthropy to foster Chinese-American relations, including forming and funding continuing dialogues.

DOUG STONE Board of Directors

Doug Stone is President and CEO of Consolidated Sourcing Solutions. Consolidated Sourcing Solutions is a partnership that procures and manages more than one million tons of fertilizer for three large agricultural cooperatives located in South Dakota, Nebraska, and Iowa. Prior to this role, Mr. Stone spent 21 years with Terra Industries, a global nitrogen manufacturing company, in a variety of executive sales, procurement, and management roles. His most recent role was as their Senior Vice President, Sales and Marketing. As Senior Vice President, Sales and Marketing, Mr. Stone was responsible for top line revenue of more than \$2 billion and the sale of 6 million tons of manufactured fertilizers. Prior to this, Doug was Vice President, Strategic Planning and Business Development for Terra. Doug earned a bachelor's degree in Business Administration, Marketing from the University of Iowa and a master's degree from the University of South Dakota.

DAVID BEDNAR Board of Directors

David Bednar has extensive business experience as a senior executive in various organizations. He currently serves as President and CEO of DHB Holdings, Inc. and Roseport Resources, LLC, President of Continental Nitrogen & Resources Crop and Viking Explosives LLC, as well as Chief Manager of Hy-Energy Systems, LLC. Mr. Bednar also serves on the Board of Directors of Red Diamond Nitrogen, LLC and Magnetation, Inc. In addition, he is involved in various industry and trade associations, serving as Chairman of the Institute of Makers of Explosives. Mr. Bednar graduated from the Colorado School of Mines with a Bachelors Degree in Mining Engineering.





FREQUENTLY ASKED QUESTIONS

How is the fertilizer made?

Nitrogen fertilizer, in the form of anhydrous ammonia, is produced in a chemical process that combines nitrogen from the air with hydrogen from natural gas and water.

What are the properties of anhydrous ammonia, and can it be dangerous?

Nitrogen is an essential element for plant, animal, and human life. According to the NDSU Extension Service, anhydrous ammonia is generally not considered to be a flammable hazardous product because its temperature of ignition is greater than 1,560 degrees Fahrenheit. The conditions favorable for ignition are seldom encountered during normal operations due to the high ignition temperature required. Fire hazard increases if oil or other combustible materials are present.

Will the nitrogen fertilizer production facility be safe?

Safety is of the utmost concern. NPN is taking great care in planning and designing a world class facility with the latest technological advances to ensure City, County, State, and Federal regulations are met, or even exceeded. In addition, operations will be conducted by highly-trained and skilled staff members, which will be held to the same high standards as the facility itself.

Where will the facility be located in relation to population centers?

The fertilizer facility will be located outside of the immediate city center, near the wastewater treatment facility. This location is able to conveniently access the grey water from the wastewater treatment facility to use as a water supply, and in return, send the liquid effluent from the plant operations back to the wastewater treatment for processing and discharge. Good access to road and rail transportation, along with electrical power and access to a natural gas mainline, make the site selected an excellent choice for the fertilizer facility.



FOR ADDITIONAL INFORMATION, CONTACT:

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