



KOCH NITROGEN COMPANY

News Release

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KOCH NITROGEN SUBSIDIARY TO BUY SIMPLOT CANADA LIMITED

Acquisition to add Canadian fertilizer production assets; closing expected in September

WICHITA, Kan. – A Koch Nitrogen Company subsidiary has signed a stock purchase agreement to acquire Simplot Canada Limited, subject to customary conditions and regulatory approvals.

Koch Nitrogen Fertilizer Holding, Inc. will acquire the nitrogen fertilizer business of Simplot Canada, including a fertilizer complex in Brandon, Manitoba, along with associated product distribution terminals in Watson and Tuxford, Saskatchewan, and Oak Bluff, Manitoba.

The sale is expected to close in September. No financial details were disclosed.

“This acquisition fits our vision of identifying growth opportunities where we can apply our capabilities to enhance the business,” said Steve Packebush, president of Koch Nitrogen. “This production complex and associated terminals are ideally placed for meeting the needs of customers in Western Canada, as well as the important wheat-growing regions of the northern United States.”

Koch Nitrogen Company and its affiliates manufacture, market and distribute more than 6 million metric tons of fertilizer annually. Combined, these companies operate four fertilizer plants, producing anhydrous ammonia, urea and UAN, and 18 terminals in the United States, and have interests and off-take responsibilities for nitrogen plants in Venezuela and Trinidad and Tobago.

“Simplot Canada has been an important part of our fertilizer business for 40 years, but the global market is no longer favorable to a single-plant nitrogen operation,” said Bill Whitacre, president of Simplot AgriBusiness. “We are confident that an international, multi-plant operator such as Koch Nitrogen will better serve our Canadian customers in the long term.”

The Simplot Canada complex produces ammonia, nitric acid, urea, UAN solutions, ammonium nitrate solution, ammonium polyphosphate and ammonium thiosulfate. The complex and associated terminals employ about 200 full-time workers as well as other seasonal contractors.

This acquisition will be Koch Nitrogen’s first in Canada. Koch Nitrogen and its affiliates’ marketing representatives cover global demand with personnel in Kansas, Cayman Islands, London, Beijing and Geneva.

Koch Nitrogen is an indirect subsidiary of privately held Koch Industries, Inc. (www.kochind.com), which owns a diverse group of companies involved in refining and chemicals; fibers and polymers; commodity and financial trading; and forest and consumer products. Koch companies have had interests in Canada since the 1960s. Other Koch companies with Canadian interests include Flint Hills Resources, LP, Georgia-Pacific, Corporation, INVISTA B.V. and Koch Chemical Technology Group, LLC.

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