



**DEEPAK FERTILISERS
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Press Release

Global specialty fertiliser and Ammonium Nitrate major Yara to sign JV with Deepak Fertilisers And Petrochemicals Corp. Ltd.

Pune February 6, 2008:

Yara International ASA and Deepak Fertilisers and Petrochemicals Corporation Ltd (DFPCL) have announced that they had signed a Heads of Agreement with the intention of establishing a joint venture company (JV) to produce and market ammonium nitrate and speciality fertilisers in India.

Yara International ASA, is a US \$ 14 billion Norway-based global leader in ammonia, speciality and bulk fertilizers and Ammonium Nitrate (AN), industrial gases and other diversified chemical and pollution control products. DFPCL is an integrated chemicals and fertilisers major in India's private sector, with an over 25-year-track record and is listed on The Stock Exchange, Mumbai (BSE) and the National Stock Exchange of India (NSE). The Company has a market capitalization of approximately USD 250 million.

DFPCL will own 51 % of the JV while Yara will own the balance 49 %. The heads of agreement will be converted into a final agreement after a due diligence and the necessary company and regulatory approvals.

The JV's objective is to bring value addition and deeper knowledge leading to better market economics for Indian customers. The JV will review opportunities for production, marketing and import of speciality fertilisers in focused states viz. Maharashtra and Gujarat, where DFPCL has considerable strengths. It will develop the ammonium nitrate market and climb the AN value chain through its international expertise. The JV will also invest in the 300,000 MT per annum AN plant under construction at Paradip in Orissa on the east coast of India.

Yara will bring its international expertise in nutrient management and application of speciality fertilisers for improving productivity and quality of important cash crops and thus improving farm economics. The JV with Yara is expected to provide cost effective solutions to the farming community and the mining and infrastructure sector in India.

"Our new partnership with DFPCL is a strong fit between their strong position in AN in India, which has the world's third biggest coal reserves, and Yara's proven strengths in

safety, production, logistics and expertise in the use of technical ammonium nitrate for explosives (TAN),’ said Thorlief Enger, President and CEO at Yara International ASA. “In addition, this partnership will complement Yara’s leading global position within speciality fertilisers with DFPCL’s strong local market position and knowledge in one of India’s most attractive fruits and vegetable region,” said Mr. Enger.

Mr. Sailesh Mehta, Vice Chairman and Managing Director of DFPCL said, “DFPCL’s over two-and-a-half decades of strengths in the fertiliser and ammonium nitrate sectors will now be further propelled with global expertise and knowledge. The JV will be value-accretive to DFPCL and will benefit its long term strategy in nutrient management through speciality fertilisers and value-added mining products and services. It is a win-win situation for both Yara and DFPCL. Together we will create and offer safe, world-class, high quality products for the Indian farmers and the mining and infrastructure industries.”

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