

Clean Ammonia Feasibility Study



Challenge faced

An integrated oil & gas company was considering investment into the blue ammonia value chain and needed a better understanding of the long-term global market dynamics for low carbon fuels. The client asked Argus to provide a third party assessment of the commercial outlook for ammonia markets across regions and end-use demand forecast across sectors to support its strategic decision making. Argus provided a robust market study evaluating the potential opportunity in exporting low-carbon ammonia from the US Gulf Coast to meet a shifting demand in both traditional market segment (fertilizers & industrial uses) and more nascent use cases.

Solution provided by Argus Consulting

Argus leveraged our broad market coverage of both ammonia and prospective end-markets to answer several client questions including a mid-term and long-term analysis of the product and its role within several end-use sectors. The study relied on Argus's views on the traditional ammonia market in export destinations and factors such as regulation to establish the rate of transition of this market segment to highlight the opportunity for low-carbon ammonia. The opportunity also encapsulated how energy transition markets could provide upside opportunities for an exporter into attractive markets.

Issues Analyzed

- Long-term fundamentals (including pricing and supply/demand balances) for blue ammonia (and substitutes) in both traditional and novel end-markets
- Competitiveness of low-Carbon clean ammonia by region and end-use
- Current regulatory framework and impacts to potential demand and trade flows
- How are key players (suppliers/potential off-takers) expected to approach the market

- Evaluation of product competition and other potential risks to production/export feasibility

Outcome

Argus provided a comprehensive report to the client providing answers to several specific strategic questions with in-depth supporting analysis. The project provided a comparison of potential market opportunities, an assessment of regional/end-market attractiveness, and consideration of other factors that could potentially hinder or support the low-carbon ammonia markets' growth trajectory.

Argus shared findings and cooperated on project guidance with the client through a series of workshops and presentations over the project's course and through a final presentation. The client was provided substantial insights and supporting analytics the tools to support internal strategy and better evaluate specific investment into the value chain. Key recommendations included:

- Prioritized addressable markets
- Risk mitigation strategies
- Potential off-take targets
- Pricing strategy and structure

Following the delivery of this study, the client was able to further refine their market strategy and develop internal support for related investments in the ammonia value chain.

More information

To learn more about Argus Consulting, visit <https://view.argusmedia.com/argus-consulting-north-america.html>.

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