



## Yara International ASA Fixed Rate Bond 2009/2014 Terms and Conditions

<b>ISIN:</b>	NO 001 0500127
<b>Issuer:</b>	YARA INTERNATIONAL ASA
<b>Type of Issue:</b>	Fixed rate open bond issue
<b>Tenor:</b>	26 March 2009 – 26 March 2014
<b>Borrowing Limit – Tap Issue:</b>	NOK 2,500,000,000
<b>First Tranche:</b>	NOK [TBD]
<b>Disbursement/Settlement Date:</b>	26 March 2009
<b>Denomination:</b>	NOK 50,000. The minimum subscription amount in this initial offering will be NOK 500,000.
<b>Coupon Rate:</b>	[TBD] %
<b>Investor Spread:</b>	Swap + 3.75% p.a.
<b>Interest Payment Date:</b>	Annually in arrears; each 26 March.
<b>Day Count Fraction - Coupon:</b>	30/360 – Following unadjusted business day convention
<b>Status of the Loan:</b>	The Loan shall be senior debt of the Issuer. The Loan shall rank at least pari passu with all other Financial Indebtedness of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.
<b>Change of Control:</b>	<p>means the occurrence of any of the following:</p> <p>(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Borrower and its Subsidiaries taken as a whole to any "person", "entity" or "group" (as defined in Section 1-3 of the Norwegian Public Limited Companies Act) other than the Borrower or one of its subsidiaries;</p> <p>(2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person", "entity" or "group" (as defined in Section 1-3 of the Norwegian Public Limited Companies Act) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares of the Borrower's voting stock;</p> <p>(3) the Borrower consolidates with, or merges with or into, the Borrower, in any such event pursuant to a transaction in which any of the outstanding voting stock of the Borrower or such other person or group is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the voting stock of the Borrower outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the voting stock of the surviving person immediately after giving effect to such transaction; or</p>

	(4) the adoption of a plan relating to the liquidation or dissolution of the Borrower.
<b>Change of Control Triggering Event:</b>	<p>means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.</p> <p>Upon the occurrence of a Change of Control Triggering Event, the Borrower shall, within 30 days, in a Change of Control Triggering Event Notice, put forward a Change of Control Offer to repurchase the Loan on the Change of Control Payment Date. The investors will have the right to require that the Borrower repurchase all or any part of their Loan according to the Change of Control Offer.</p> <p>The Borrower will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth herein applicable to a Change of Control Offer made by the Borrower and purchases the Loan properly tendered and not withdrawn under the Change of Control Offer.</p>
<b>Below Investment Grade Rating Event:</b>	means the Issuer is rated below an Investment Grade Rating by each of the Rating Agencies (as defined below) on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the Issuer is under publicly announced consideration for possible downgrade by any of the Rating Agencies). Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred in connection with any Change of Control unless and until such Change of Control has actually been consummated.
<b>Change of Control Offer:</b>	means an offer of payment in cash equal to 101% of the aggregate principal amount of Loan repurchased, plus accrued and unpaid interest.
<b>Change of Control Triggering Event Notice:</b>	means a notice containing a description of the transaction or transactions that constitute the Change of Control Triggering Event and a Change of Control Offer.
<b>Change of Control Payment:</b>	means 101% of the aggregate principal amount of Loan repurchased plus accrued and unpaid interest, if any, on the Loan repurchased, to the date of purchase.
<b>Change of Control Payment Date:</b>	means the date of repurchase of the Loan. The date will be no earlier than 30 days and no later than 60 days from the date a notice of Change of Control Triggering Event is mailed to the investors.
<b>Investment Grade Rating:</b>	means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P.
<b>Moody's:</b>	means Moody's Investors Service, Inc.
<b>Rating Agencies:</b>	means each of Moody's and S&P; provided, that if any of Moody's and S&P ceases to provide rating services to Borrowers or investors, the Borrower may appoint a replacement Rating Agency that is acceptable to the Loan Trustee.
<b>S&amp;P:</b>	means Standard & Poor's Rating Services, a division of McGraw-Hill Companies, Inc.
<b>Undertakings:</b>	<p>(a) <u>Negative Pledge</u></p> <p>not, and shall not permit any Principal Subsidiary to, create, incur, guarantee, or assume any notes, bonds, debentures, credit agreements, or other similar evidences of indebtedness for money borrowed ("<b>Debt</b>") secured by a mortgage, pledge, security interest, lien or other similar encumbrance ("<b>Lien</b>"), without effectively providing concurrently with the creation, incurrence, guarantee or assumption of such Debt that the Loan (together with, if the Borrower so determines, any other of its Debt then existing or thereafter created ranking equally with the Loan) will be secured equally and ratably with (or prior to) such Debt, so long as such Debt will be secured, except that this restriction will not apply to:</p>

	<ul style="list-style-type: none"> <li>(i) Liens on assets of any corporation existing at the time such corporation becomes a Principal Subsidiary, provided that any such Lien was not created in contemplation of such subsidiary becoming a Principal Subsidiary;</li> <li>(ii) any title transfer or retention of title arrangement entered into in the normal course of business;</li> <li>(iii) Liens on assets existing at that time of acquisition thereof or to secure the payment of all or any part of the purchase price thereof or all or part of the cost of the improvement, construction, alteration or repair of any assets or of any other improvements on, all or any part of such assets or to secure any Debt incurred prior to, at the time of, or within twelve months after, the later of the acquisition, the completion of construction (including any improvements, alterations or repairs on an existing asset) or the commencement of commercial operation of such asset, which Debt is incurred for the purpose of financing all or any part of the purchase price thereof or all or part of the cost of improvement, constructing, alteration or repair thereon;</li> <li>(iv) Liens comprising a netting or set-off arrangement entered into by the Borrower or a Principal Subsidiary in the ordinary course of its banking or trading arrangements for the purpose of netting debit and credit balances;</li> <li>(v) Liens existing at the date of the fiscal and paying agency agreement;</li> <li>(vi) Liens on assets of any corporation, in either case existing at the time such corporation is merged into or consolidated or amalgamated with the Borrower or at the time of a sale, lease or other disposition of the properties of a corporation as an entirety or substantially as an entirety to the Borrower;</li> <li>(vii) Liens arising solely by operation of law and in the ordinary course of business;</li> <li>(viii) Liens created in the ordinary course of business to secure Debt under derivative transactions protecting against or benefiting from fluctuations in any rate or price entered in the ordinary course of business;</li> <li>(ix) Liens to secure Debt incurred in connection with a specifically identifiable project where any such Lien relates to a specific project and the recourse of the creditors in respect of such Lien is substantially limited to such project; and</li> <li>(x) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the foregoing clauses (i) to (viii), inclusive, or of any Debt secured thereby, provided that the principal amount of Debt secured thereby</li> </ul>
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shall not exceed the principal amount of Debt so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement Debt shall be limited to all or any part of the same property that secured the Debt extended, renewed or replaced (plus improvements on such property), or property received in substitution or exchange therefore.

Notwithstanding the foregoing, the Borrower may create, incur, guarantee or assume Debt secured by any Lien which would otherwise be subject to the foregoing restrictions in an aggregate amount which, together with all other such Debt of the Borrower and its Attributable Debt in respect of Sale and Leaseback Transactions (other than Attributable Debt in respect of Sale and Leaseback Transactions permitted because the Borrower would be entitled to create, incur, guarantee or assume such Debt secured by a Lien on the property to be leased without equally and ratably securing the Loan pursuant to the next preceding paragraph and other than Sale and Leaseback Transactions the proceeds of which have been applied as provided in clause (iii) under "— Limitation on Sale and Leaseback Transactions" below), does not at the time exceed 15 % of Consolidated Net Tangible Assets.

(b) Limitation on Sale and Leaseback Transactions

not and will not allow any Principal Subsidiary to, enter into any arrangement with any person providing for the leasing by the Borrower or a Principal Subsidiary for a period, including renewals, in excess of three years, of any of its present or future assets which have been owned by the Borrower or such Principal Subsidiary for more than six months and which have been or are to be sold or transferred by the Borrower or such Principal Subsidiary to such person (a "**Sale and Leaseback Transaction**") unless, after giving effect thereto, the aggregate amount of all Attributable Debt with respect to all such sale and Leaseback Transactions plus all Debt of the Borrower and the Principal Subsidiaries incurred, issued, assumed or guaranteed and secured by a Loan (with the exception of Debt secured by a Lien on assets that the Borrower or a Principal Subsidiary would be entitled to create, incur, issue, guarantee or assume without equally and ratably securing the Loan pursuant to the provisions of the Loan referred to in the last paragraph under "- Negative Pledge" above) does not exceed 15 % of Consolidated Net Tangible Assets. This Restriction shall not apply to any Sale and Leaseback Transaction if (i) the Borrower or Principal Subsidiary would be entitled to create, incur, issue, guarantee or assume Debt secured by a Lien on the assets to be leased without equally and ratably securing the Loan pursuant to the provisions of the Loan referred to under "- Negative Pledge" above, (ii) within a period commencing twelve months prior to the consummation of such Sale and Leaseback Transaction, the Borrower or Principal Subsidiary has expended or will expend for any of its present or future assets an amount equal to (a) the greater of (x) the net proceeds received by the Borrower or Principal Subsidiary from such Sale and Leaseback Transaction and (y) the fair market value of the assets so sold at the time of entering into such transaction, as determined by the Board of Directors of the Borrower (the greater of the sums specified in clauses (x) and (y) being referred to herein as the "**Net Proceeds**" or (b) a part of the Net Proceeds and the Borrower or Principal Subsidiary elects to apply at the balance of such Net Proceeds in the manner described in the following clause (iii); or (iii) the Borrower or Principal Subsidiary, within twelve months after the consummation of any such Sale and

	Leaseback Transaction, applies an amount equal to the Net Proceeds (less any amount elected under clause (ii) above) to the retirement of Funded Debt of the Borrower or Principal Subsidiary ranking pari passu with the Loan. No retirement referred to in clause (iii) may be effected by payment at maturity or pursuant to any mandatory sinking fund or prepayment provision.	
<b>Purpose:</b>	General corporate purposes.	
<b>Listing:</b>	The Loan will be applied for listing on Oslo Børs	
<b>Trustee:</b>	Norsk Tillitsmann ASA (www.trustee.no)	
<b>Paying Agent:</b>	DnB NOR Bank ASA	
<b>Documentation:</b>	Norwegian stand alone documentation between Yara International ASA and Norsk Tillitsmann ASA. Norwegian Law	
<b>Form:</b>	VPS registered securities	
<b>Website:</b>	www.yara.com	
<b>Arrangers:</b>	DnB NOR Markets and Nordea Markets	
<b>Ratings:</b>	Standard & Poors Moody's	BBB Baa2

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