

10th October 2022

AALBERTS SURFACE TECHNOLOGIES HEAT LTD - BIRMINGHAM

AMMONIA SURCHARGE FOR NITROTEC PROCESS

EFFECTIVE 17TH OCTOBER 2022

Dear valued customer,

As you may know, we consume a lot of Ammonia with our Nitrotec process.

Unfortunately, as you will have seen in the news, the unprecedented prices of electricity and natural gas have combined to make Ammonia production uneconomic – many plants have closed, the others are rapidly escalating their prices. There is a shortage of ammonia and with rationed supplies, it is difficult to find alternative sources.

Our Ammonia supplier is Air Products. They publish an energy surcharge on their website, this is updated monthly. The current surcharge they have applied from 1st October more than trebles our Ammonia cost and although we have tried over the Summer, we simply can't absorb this.

I hope you realise that we are working hard to absorb as much of the pain ourselves as possible, but we need to remain viable so that we can continue to give the best service to our valued and loyal customers.

The formula for our Ammonia Surcharge percentage is as follows:

(Air Products Current Surcharge -AP July surcharge) x 0.00256

For October, the surcharge will be 11.27%

This Ammonia Surcharge will be applied to every Nitrotec invoice from 17th October

We will update this monthly in line with the latest Air Products surcharge. We will publish the surcharge rate on our website here: <https://www.aalberts-st.com/locations/birmingham/>

We thank you in advance for your understanding and wish to continue our cooperation in the years to come.

Yours faithfully,

Mike Fielden
Works Manager
Aalberts Surface Technologies Heat Ltd.