

April 12, 2007

Borouge awards two major contracts for Borouge 2 expansion project

Borouge, a leading provider of innovative, value creating plastics solutions, today awarded contracts valued at approximately US\$3 billion for Borouge 2, the major expansion project at the company's production facilities in Ruwais, Abu Dhabi in the United Arab Emirates.

The two contracts awarded today comprise:

- A contract worth approximately US\$1.855 billion for the construction of three new Borstar[®] technology polyolefins units and associated material handling facilities, laboratory facilities and marine works to Tecnimont S.p.A. of Italy, awarded on a lump sum turnkey basis
- A contract for an estimated value of US\$1.234 billion with Tecnicas Reunidas S.A. of Spain, awarded on a convertible lump sum basis to construct the offsite and utility facilities for the expanded plant

The contract with Tecnimont S.p.A. Italy will see the development of two Borstar polypropylene plants with a combined annual capacity of 800,000 tonnes and a new Borstar Enhanced PE plant with an annual capacity of 540,000 tonnes to complement the existing 600,000 tonnes per year unit. Preliminary work on the polyolefins unit will begin immediately and is scheduled to be completed in 2010.

The contract with Tecnicas Reunidas S.A. will see the supply of utilities to all the associated EPC packages for the Borouge 2 project. Preliminary work will begin immediately and is also scheduled to be completed in 2010.

These contract awards represent an important step in the Borouge 2 project which will triple Borouge's annual production capacity to two million tonnes of polyolefins. This increased capacity will enable Borouge and its customers to supply high performance products in an increasingly broad range of demanding applications.

Borouge has already signed a US\$1.3 billion contract with Linde Engineering for the construction of a new ethylene cracker. The contract was awarded to Linde on a lump sum turnkey basis, with preliminary work already under way and completion scheduled for 2010.

Harald Hammer, Chief Executive of the Borouge marketing company commented: "Borouge has made extraordinary achievements since its inception in 1998 and market acceptance of the Borstar range has been exceptional. These contracts increase the momentum of the Borouge 2 expansion which will bring additional Borstar Enhanced Polyethylene and now Borstar Enhanced Polypropylene to customers across the Middle East and Asia-Pacific."

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Borealis and **Borouge** are leading providers of innovative, value creating plastics solutions. With more than 40 years of experience in polyolefins and using our unique Borstar® technology, we focus on the infrastructure, automotive and advanced packaging markets across Europe, the Middle East and Asia. Our production facilities, innovation centres and service centres work with customers in more than 170 countries to provide materials that make an essential contribution to society and sustainable development. We are committed to the principles of Responsible Care® and to leading the way in 'Shaping the Future with Plastics'™.

Borouge is a joint venture established in 1998 between the Abu Dhabi National Oil Company and Borealis. It is currently implementing a multi billion dollar expansion at its world-scale, state-of-the-art production facility in Ruwais, Abu Dhabi in the United Arab Emirates. The project, called Borouge 2, is due for completion in 2010 and will triple the company's polyolefin production capacity.

About Borstar®

Borstar technology is a critical element in developing the next generation of innovative, creative plastics.

Borstar is Borealis' proprietary technology that supports differentiated PE and PP products. It enables production of tailored plastic grades that reduce costs through efficient processability. Other benefits include short start-up times, quick transitions among grades and the capacity to produce a whole range of product mix in one cycle. Borouge's cracker and Borstar PE units consistently achieve first-time-right products with minimal downtime.

Now, Borstar PE 2G, Borealis' next generation technology, represents a leap forward in polymer design – from bi-modal PE to multi-modal PE–facilitating the development of an ever-widening range of new plastics which outperform alternative materials in meeting the needs of manufacturers and end users.

By enabling a tailored molecular structure of PE to precisely match the application requirements, Borstar PE 2G extends the product range with more sophisticated, customer-oriented solutions characterised by an outstanding combination of mechanical properties and excellent processability.

For more information on Borealis and Borouge, visit www.borealisgroup.com and www.borouge.com.

Tecnimont

For more information about Tecnimont, visit www.tecnimont.it

Tecnicas Reunidas

For more information about Tecnicas Reunidas, visit www.tecnicasreunidas.es

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