

June 5, 2007

Borealis sells its petrochemical business in Norway to Ineos

- Sale of Norwegian polyolefins business and share in Noretyl gas cracker to Ineos
- Creation of independent innovation company
- Group support functions remain in Norway as a separate unit

Continuing with the restructuring of its Norwegian operations, Borealis AS announces that it has reached an agreement to sell its petrochemical business in Bamble, Norway, to Ineos for EUR 290 million. It has also been decided to create a new independent innovation company to take over its innovation centre in Bamble and to retain the existing group support functions at the location as a separate unit.

The facilities sold to Ineos comprise a 175,000 tonne per year (t/y) polypropylene (PP) unit and a 140,000 t/y low density polyethylene (LDPE) unit, as well as a 50% share of the 557,000 t/y Noretyl gas cracker. The polyolefin units manufacture plastics mainly for the growing moulding, film and fibre, and extrusion coating industries in Northern Europe.

"The sale of our Norwegian polyolefins business is another step to increase the overall competitiveness of our European operations," comments John Taylor, CEO of Borealis. "We wish all our Norwegian colleagues a successful future with Ineos as their new owners."

"The addition of these facilities to our other recent investments in the region will enhance operational efficiencies and substantially improve our position in the olefins and polyolefins market, enabling us to better serve our customers and progress our strategy in Europe," says Jim Ratcliffe, Chairman of Ineos. "This acquisition presents important opportunities for us to support existing assets in the Northwest European ethylene network. These are well placed assets, complemented by an experienced operations team and high safety, health and environmental standards. This acquisition is perfectly timed and provides a significant step forward in the development of Ineos."

An estimated 290 out of 450 Borealis employees are affected by the sale of the operations to Ineos. The remaining employees will move to the newly formed innovation company or provide support to the group. All 165 employees at the Noretyl cracker joint venture will be employed by Ineos once the transactions involving Ineos' purchase of Borealis' and Norsk Hydro's polymer assets are completed.

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The sale of Borealis' assets to Ineos is subject to clearance by EU competition authorities and other relevant anti-trust bodies, and is expected to close in the third quarter of 2007.

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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. We have production facilities, innovation centres and service centres across Europe, the Middle East and Asia Pacific and work with customers in more than 170 countries around the world to provide plastic materials that make an essential contribution to society and to sustainable development. We are committed to the principles of Responsible Care® and to leading the way in 'Shaping the Future with Plastics.'

A joint Borealis/Ineos press conference will take place June 5 at 13.00 CET at the Borealis site in Bamble, Norway.

For more information on Borealis and Borouge, a joint venture between Borealis and the Abu Dhabi National Oil Company, visit www.borealisgroup.com and www.borouge.com.

This press release (BLPR171) and relevant photography can be downloaded from www.PressReleaseFinder.com. Alternatively for very high resolution pictures please contact: Paulien Boumans (pboumans@emg.nl, +31 164 317 015)

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