

June 19, 2007

Borouge services Chinese growth with expanded office in Puxi, Shanghai

The new office will support Borouge's booming business in the rapidly expanding Chinese market and the tripling of Borouge's production capacity by 2010.

Borouge, the leading provider of innovative plastics solutions in the Middle East, Asia Pacific and Africa, today announced that it moves its Shanghai office to Plaza 66 Tower 2 at Nanjing Xi Lu, located in the heart of Puxi, Shanghai, with effect from June 18 2007.

This will support the company's fast growing business in the booming Chinese market, to which Borouge has been focusing on supplying value added products to the infrastructure, automotive and advanced packaging industries. Borouge – through its parent company, Borealis – has a long and fruitful history in China, with its first footprint established in Hong Kong in the early 1980s. It has since expanded its operations to three cities – Beijing, Shanghai and Hong Kong.

Borouge is set to triple its existing production capacity of polymers made using Borstar® technology to two million tonnes per annum by 2010 with additional capacity coming online from Borouge 2, Borouge's multi-billion dollar expansion project at its production site in Ruwais, in Abu Dhabi in the United Arab Emirates.

The new Borouge office will be eight times the size of Borouge's previous Shanghai premises – and will provide enough office space to meet Borouge's staff growth requirement . Borouge opened its first Shanghai office in June 1996.

Harald Hammer, Chief Executive Officer of the Borouge marketing company commented: "China is extremely important for Borouge with local demand for polyethylene (PE) expected to grow 5.9% and polypropylene (PP) at 7.7% per annum over the next five years. As we enter the most aggressive growth phase in our history with two million tonnes through Borouge 2 coming online in 2010, it is imperative that we put in place the infrastructure to grow our business in what is becoming one of the most exciting markets in the world. This move will also enable us to further strengthen our operations in China and improve service levels to our customers."

The expansion of the company's Shanghai operations follows closely on other new offices in the region. Boreage moved its global marketing headquarters to larger premises in Singapore in April 2007, and opened full sales and services offices in Melbourne, Australia and Auckland, New Zealand in December 2006.

End

Borage's new Shanghai office will be located at Room 4003-4008, No.1366 Nanjing Xi Lu, Tower 2, Plaza 66, Shanghai 200040



For further information please contact:

Borealis: Craig Halgreen, Borealis Communications Director,
tel. +43 1 22400 334, craig.halgreen@borealisgroup.com

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.'

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, a joint venture between Borealis and the Abu Dhabi National Oil Company, visit www.borealisgroup.com and www.borouge.com.

This press release (BLPR175) 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)

3 (3)