

April 14, 2009

Borouge commits to further the strategic expansion of its polyolefins operations in Abu Dhabi

- Borouge 3 to come on stream in Q4 2013 to capture the additional feedstock availability resulting from the upstream refinery and gas processing expansions of ADNOC (Abu Dhabi National Oil Company)
- Approximately 2.5 million tonnes per year (t/y) of polyolefins capacity to be added to support Borouge's growth in the Middle East and Asia
- Borouge 3 project adds low density polyethylene (LDPE) production capacity to Borouge's portfolio to meet the needs of the growing wire and cable infrastructure markets

Following the successful completion of the feasibility study announced last year, Borouge, a leading provider of innovative, value creating plastics solutions, has decided to enter the FEED (front-end engineering and design) stage of its Borouge 3 project.

The Company is thereby continuing with its plans to significantly expand its polyolefin operations in Abu Dhabi, in the United Arab Emirates, by adding approximately 2.5 million t/y of capacity by the 4th quarter of 2013. The expansion will enable Borouge, a joint venture between the Abu Dhabi National Oil Company (ADNOC) and Borealis, to meet the growing demands of the high value polyethylene and polypropylene markets in the Middle East and Asia. The addition of low density polyethylene (LDPE) capacity will also enable Borouge to grow in the wire and cable infrastructure market.

“The commissioning of Borouge 3 will ensure that we benefit from the additional feedstock availability resulting from the upstream refinery and gas processing expansions of ADNOC in Ruwais,” says Abdulaziz Alhajri, Chief Executive Officer of Borouge’s Production Company. “The current Borouge 2 expansion project that will triple the manufacturing capacity of Borouge is on track for completion in 2010. The combination of these two projects will enable our significant growth in the Middle East and Asian polyolefin markets in the next decade.”

The Borouge 3 project includes the construction of an ethane cracker, second generation Borstar® polypropylene (PP) and polyethylene (PE) units, an LDPE unit and a Butene unit, as well as related off-site utilities and marine facilities, at its plant in Ruwais, some 250 kilometers west of Abu Dhabi. The addition of 2.5 million t/y of polyolefins will boost Borouge’s total production capacity to 4.5 million t/y by the end of 2013.

In addition to investing in polyolefin production capacity, Borouge is expanding its sales and marketing efforts to meet the needs of its customers in the Middle East and Asia. “We are currently investing in our capability to service our customers even better by establishing logistics hubs in Shanghai and Guangzhou in China and a 50,000 t/y compounding plant in Shanghai,” adds Chief Executive Officer of Borouge’s Marketing Company, William Yau. “We are committed to our strategy based on Value Creation through Innovation in the infrastructure, automotive and advanced packaging markets and additional logistics hubs are planned beyond China in the near future.”

“Borouge is a successful joint venture for ADNOC and we are confident in our investments in the development of Borouge’s core business while at the same time, contributing to the further growth and

2 (4)

diversification of the Abu Dhabi economy,” says Rashed Saud Al Shamsi, Petrochemicals Director of ADNOC. “Notwithstanding the current economic climate, we remain focused on our long term strategy and, together with Borealis, are supporting Borouge’s preparation for the upswing of the global economy and market growth.”

“We welcome the opportunity to develop and enhance our successful partnership with ADNOC in supporting the growth of Borouge,” adds Henry Sperle, Borealis Executive Vice President for the Middle East & Asia. “This expansion in polyolefins capacity, based on our unique Borstar® and wire and cable technologies, underpins Borealis’ growth strategy in the Middle East and Asia. The expansion strategically builds upon our leading position in the global wire and cable infrastructure market and reinforces our product offering to this growing market.”

Borouge’s current capacity is 600,000 tonnes of polyethylene per year, and the Borouge 2 expansion project will increase its capacity to 2 million t/y. Construction of Borouge 2 began in late 2007 and consists of an ethane cracker of 1.5 million t/y, an olefins conversion unit of 752,000 t/y (the world’s largest), two Borstar® PP units with a combined annual capacity of 800,000 t/y, and a Borstar® PE unit with an annual capacity of 540,000 t/y.

End

3 (4)



Borouge 2 on track for completion mid 2010



Abdul Aziz Abdulla Al Hajri,
Chief Executive Officer of Abu
Dhabi Polymers Co Ltd
(Borouge)

For further information please contact:

Borealis: Kerstin Meckler, Head of Communications,
Tel. +43 1 22 400 389, kerstin.meckler@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 is a trademark of Borealis A/S.
Shaping the Future with Plastics is a trademark of Borealis A/S.

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

4 (4)