

January 7, 2009

Borouge further expands capabilities in China

Borouge, a joint-venture between the Abu Dhabi National Oil Company (ADNOC), one of the world's major oil companies, and Borealis, a leading provider of chemical and innovative plastics solution, is expanding its marketing, sales and innovation capabilities in Guangzhou and Shanghai, China.

Incorporation of Borouge Sales and Marketing Co. Ltd. in Guangzhou

Borouge, a leading provider of innovative value creating plastics solutions, announces the incorporation of Borouge Sales and Marketing (Guangzhou) Co. Ltd. The inauguration of the new company, held at the Shangri-La Hotel on January 6, 2010, was attended its customers, senior government officials from the Guangzhou Municipal Government and the United Arab Emirates as well as Members of the Boards of Borouge.

"With the relative strength of the Chinese economy, China will very soon become the largest consumption market for polyolefins globally," said Rashed Saud Al Shamsi, Chairman of the Board of Borouge Pte, Borouge's Marketing Company, at the inauguration. "As such we will continue to expand our investments in China and support the growth of the market. The establishment of a sales and marketing company in Guangzhou is the next phase of our expansion and it reflects our ongoing commitment to China."

Supported by a Guangzhou based logistics hub, fully operational in mid-2010 and capable of supplying approximately 246,000 tons of value-added polyethylene and polypropylene annually to its customers in the region, the new company will optimise the service that Borouge provides and further develop the company's growth in the region.

"We are already present in Beijing, Shanghai and Hong Kong, and now with a Company in Guangzhou, we will be better poised to service the southern Chinese market," explains William Yau, Chief Executive Officer of Borouge Pte. "Together with our two new logistics hubs and manufacturing facilities in China, we are fast becoming a recognised

supplier in the packaging and automotive markets in addition to our strong position in the infrastructure markets.”

Plastics solutions Application Centre in Shanghai

In line with its commitment to delivering innovative, value creating plastics solutions to its customers, Borouge announces that it will invest in building up its innovation capability in China with the establishment of an Application Centre at its manufacturing plant in Shanghai, China. Planned for the end of 2010, the new Centre will enhance Borouge’s ability to execute research and development and conduct product performance reviews in close proximity to its customers.

“We are expanding our product development capability to ensure that we can develop tailored-application solutions for our customers in China,” says Borouge’s Innovation Centre Manager Petri Lehmus. “The Application Centre will mainly focus on automotive and appliance applications. Together with the Innovation Centre we are building in Abu Dhabi and the significant innovation capability of Borealis in Europe, we aim to offer our customers the opportunity to provide truly differentiated plastics to the market.”

In addition to these investments Borouge will further develop its technical expertise and technical service capability for its customers in China. “We are committed to our mission ‘Value Creation through Innovation’ and will continue to invest in speeding up the innovation process and providing optimum solutions to our customers,” reinforces Borouge Pte CEO William Yau. “With our compounding plant and logistics hubs in China also coming on stream in 2010, this will be an important year for growing our partnerships throughout the plastics value chain.”

As a leading provider of innovative plastic solutions in the infrastructure, automotive and advanced packaging markets, Borouge is tripling the capacity of its plant in Abu Dhabi in the United Arab Emirates in 2010 to 2 million tons per year and adding polypropylene to its manufacturing portfolio. The new compounding manufacturing unit in Shanghai will supply up to 50,000 of compounded resins annually to Borouge’s automotive and appliances customers in China.

Besides enhancing its Borstar[®] technology-based polypropylene and polyethylene offer in 2010, Borouge has initiated a further expansion of its plant in Abu Dhabi to increase the total capacity to 4.5 million tons per

year. This major expansion, to be completed at the end of 2013, will include the production of low density polyethylene (LDPE) production capacity to meet the specific needs of the rapidly growing wire and cable infrastructure market.



Mr. Rashed Saud Al Shamsi (left 2), Director of Board of Borouge's marketing company, Mr. William Yau (right 2), Chief Executive Officer, Borouge Pte Ltd, Mr. Hu Wei (left 1), Managing of Borouge Sales and Marketing (Guangzhou) Co., Ltd and Mr. Andy Liu (right 1), General Manager of Borouge Sales and Marketing (Guangzhou) Co., Ltd launching the new sales and marketing company.

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Borealis is a leading provider of chemical and innovative plastics solutions that create value for society. With sales of EUR 6.6 billion in 2008, customers in over 120 countries, and 5,400 employees worldwide, Borealis is owned 64% by the International Petroleum Investment Company (IPIC) of Abu Dhabi and 36% by OMV, the leading energy group in the European growth belt. Borealis is headquartered in Vienna, Austria, and has production locations, innovation centers and customer service centers across Europe and the Americas. Through Borouge, a joint venture between Borealis and the Abu Dhabi National Oil Company (ADNOC), one of the world's major oil companies, the company's footprint reaches out to the Middle East, Asia Pacific, the Indian sub-continent and Africa. Established in 1998, Borouge employs approximately 1,400 people, has customers in more than 50 countries and its headquarters are in Abu Dhabi in the UAE and Singapore.

Building on the unique Borstar® technology and their experience in polyolefins for almost 50 years, Borealis and Borouge provide innovative, value creating plastics solutions for the infrastructure (pipe systems and power and communication cables), automotive and advanced packaging markets. In addition, Borealis offers a wide range of base chemicals from melamine and plant nutrients to phenol and acetone.

Today Borealis and Borouge manufacture 4.4 million tonnes of polyolefins (polyethylene and polypropylene) per year. Borouge is currently tripling its polyolefins manufacturing capacity to 2 million tonnes per year (t/y) by mid-2010 and an additional 2.5 million t/y is scheduled for 2013. The companies continue to invest to ensure that their customers throughout the value chain, across the globe, can always rely on product quality, consistency and security of supply.

Borouge and Borealis are committed to the principles of Responsible Care® and proactively contribute to addressing the world's water and sanitation challenges through their Water for the World™ initiative.

For more information visit:
Borealis: www.borealisgroup.com
Borouge: www.borouge.com
Water for the World: www.waterfortheworld.net
