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Borouge awards three major EPC contracts for Borouge 3 expansion project valued at US\$ 2.6 billion

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 solutions, has awarded three major Engineering, Procurement and Construction (EPC) contracts valued at approximately US\$ 2.6 billion for its Borouge 3 expansion project in Ruwais, Abu Dhabi, in the UAE. These significant investments will expand the production capacity of the plant to 4.5 million tonnes per year (t/y) by 2013, making it the largest integrated polyolefins site in the world.

A contract worth US\$ 1,255 billion for the construction of two Borstar® enhanced polyethylene and two Borstar® enhanced polypropylene units, as well as a contract worth US\$ 400 million for the construction of a 350,000 t/y low density polyethylene (LDPE) unit, was awarded to the Joint Venture consortium Tecnimont of Italy and Samsung Engineering of South Korea, on a lump sum turnkey basis. The annual capacity of the polyethylene units is 1,080,000 t/y and the polypropylene units, 960,000 t/y.

In addition, a contract worth US\$ 935 million for the Utilities and Off-site facilities for the expanded plant was awarded to Hyundai Engineering and Construction of South Korea.

These contracts represent an important milestone in the fulfilment of Borouge's growth strategy in the Middle East and Asia. The investment in LDPE production spearheads the Company's ability to manufacture innovative solutions for the global wire and cable market in addition to the pipe, automotive and advanced packaging markets.

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Borouge has already awarded a US\$1.075 billion contract to Linde Engineering for the construction of the Borouge 3 ethane cracker and the site preparation is being executed by Al Asab General Transportations and Contracting Establishment.

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Borealis and Borouge are leading providers of innovative plastics solutions that create value for society. In addition, Borealis offers a wide range of base chemicals from melamine and plant nutrients to phenol and acetone. With sales of EUR 4.7 billion in 2009, customers in over 120 countries, and 5,200 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 of more than 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 over 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