

June 2, 2010

Stenungsund expansion to enable broad supply of Borealis solutions for wire and cable sector

Borealis customers can count on a reliable partner for growth following Borealis' completion of an over EUR 400 million investment at its plant in Stenungsund, Sweden. A new 350,000 t/y high pressure LDPE plant along with modernised compounding and material-handling facilities were officially inaugurated on June 2, 2010, increasing total capacity at the site from 580.000 t/y to 700.000 t/y.

The world's leading provider of innovative, value creating plastics solutions for the wire and cable industry has expanded its Stenungsund facilities while maintaining a closed operation process to eliminate potential sources of impurities. The plant was designed and constructed with the highest wire and cable quality standards in mind.

The capacity expansion builds on Borealis' existing technology platform and demonstrates its commitment to high quality, well-known brands such as Supercure™ and Visico™. The capacity will be focused specifically on Borealis' newest products such as Supercure LS4201 and LC8205 and special products for extra high voltage cables LE4201EHV and LE4244EHV. Its Visico products for low and medium voltage cables LE4423, LE4421 and LE4421M will also benefit from the controlled environment in place at Stenungsund.

“Consistency, homogeneity and cleanliness are key determinants in enabling the reliable production of quality high voltage cables,” comments Borealis Chief Executive Mark Garrett. “To that end, we have focused the entire Stenungsund expansion and Borealis process to ensure we deliver the high purity, value-adding market applications of the future and

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consolidate our leadership in the demanding wire and cable market segments.”

The expansion makes Stenungsund a leading world-scale polyethylene facility for advanced infrastructure applications and is a continuation of a EUR 42 million cross-linkable polyethylene (XLPE) capacity upgrade already taken on stream during 2007. This new investment will in addition enable Borealis to maximise the flexible feedstock – olefin – polyolefin integration. Old polyethylene capacity of 230.000 t/y will be gradually phased out during 2010.

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Borealis Business Unit Wire&Cable

Borealis is the world's leading provider of innovative, value creating plastics solutions for the wire and cable industry. Our solutions are customer-driven and designed to satisfy the industry's continuously evolving demands for higher technical performance. They can be found in the most challenging extra-high voltage (EHV) and high voltage (HV) cable applications, as well as medium voltage (MV) and low voltage (LV= energy transmission and distribution cables, building wires, and communications cables. In answer to the need for production, installation and cable-system lifetime enhancements, we create the innovation links that secure world-class, step-changing solutions and benefit the whole wire and cable value chain.

Borealis is a leading provider of chemical and innovative plastics solutions that create value for society. 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 centres and customer service centres 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 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.

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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

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