

July 2, 2010

Borouge signs major contracts valued at US\$ 2.6 billion to advance its strategic Borouge 3 expansion

Contracts valued at US\$ 2.6 billion contracts signed today to construct Borouge 3 polyolefins units and utilities & off-site facilities in Abu Dhabi, UAE

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, formally signed three major Engineering, Procurement and Construction (EPC) contracts valued at approximately US\$ 2.6 billion for its Borouge 3 strategic expansion in Ruwais, Abu Dhabi, in the UAE.

The signing ceremony took place at the Sheikh Khalifa Energy Complex in Abu Dhabi in the presence of dignitaries from the UAE, South Korea and Italy. The contracts were signed by Abdulaziz Alhajri, CEO of Abu Dhabi Polymers Company (Borouge), Roberto Bertocco, Managing Director of Tecnimont, Kiseok Park, CEO and President of Samsung Engineering, and Jung Kyum Kim, President and CEO of Hyundai Engineering and Construction.

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

A third contract worth US\$ 935 million for the utilities and off-site facilities for the expanded plant were signed with Hyundai Engineering and Construction of South Korea.

“Signing these contracts represents an important milestone in the fulfilment of Borouge’s growth strategy in the Middle East and Asia. In addition to the pipe,

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automotive and advanced packaging markets that we serve today, our investment in low-density polyethylene production will spearhead our ability to manufacture innovative solutions for the global wire and cable market.” said Abdulaziz Alhajri, CEO of Abu Dhabi Polymers Company (Borouge) at the signing.

Borouge has previously awarded a US\$1.075 billion contract to Linde Engineering for the construction of the Borouge 3 ethane cracker, while Al Asab General Transportations and Contracting Establishment of Abu Dhabi are executing the Borouge 3 site preparation.

These significant investments will quadruple Borouge’s production capacity to over 4.5 million tonnes per year by 2013, making it the largest integrated polyolefins site in the world.

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Roberto Bertocco Managing Director Tecnimont, Abdulaziz Alhajri CEO of Borouge's Production Company, Jung Kyum Kim President and CEO Hyundai, Ki-Seok Park CEO and President Samsung, (seated) and H.E. Rashed Saud Al Shamsi, Petrochemicals Director ADNOC and Board Member Borouge's Production Company, H.E. Tae Kyun Kwon South Korean Ambassador to the UAE and other senior dignitaries at the signing of the Borouge 3 contracts.

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H.E. Rashed Saud Al Shamsi, Petrochemicals Director ADNOC and Board Member Borouge's Production Company (Centre), H.E. Tae Kyun Kwon South Korean Ambassador to the UAE (Centre right) and Christian Lungarotti representing the Italian Embassy (Centre left) join dignitaries at the signing of the Borouge 3 contracts.

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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.

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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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