

ADNOC and Borealis sign agreement to extend and expand joint petrochemical activities in Ruwais

- **Engineering, Procurement & Construction tender for new Borstar® polypropylene plant to be launched in 2017 adding 0.5 million tonnes per annum**
- **Companies also moving to next phase in design and construction of new Bourouge complex**
- **The agreement is part of ADNOC's aim to expand petrochemical production from current 4.5 million tonnes per annum to 11.4 million tonnes per year by 2025**

The Abu Dhabi National Oil Company (ADNOC) and Borealis have signed a framework agreement, under which the companies will advance two key projects that will expand both ADNOC and Borealis downstream petrochemicals business and support the delivery of ADNOC's integrated smart growth and partnership strategy.

The agreement was signed by H.E. Dr. Sultan Ahmed Al Jaber, UAE Minister of State and Group CEO of ADNOC and Mark Garrett, Borealis Chief Executive.

Earlier this month, ADNOC announced the expansion of its strategic partnership model to span the Group's entire value chain as well as the more active management of its portfolio of assets. This new initiative builds on ADNOC's flexible operating model and its 2030 growth strategy. It will enable ADNOC to unlock and maximise significant value from across the Group, drive business and revenue growth, optimise performance, improve technology transfer, and secure greater access for its products in key growth markets.

Under the agreement, ADNOC and Borealis will move to the pre-feed (front end engineering and design) stage for the construction of the Bourouge 4 complex, which encompasses a world-scale, mixed feedstock cracker, using existing feedstock available in Abu Dhabi and downstream derivatives units for both polyolefin and non-polyolefin products. The proposed Bourouge 4 complex is slated to come on stream around 2023 and will be integrated with ADNOC's Takreer refinery.

Simultaneously, the companies have agreed to commence engineering, procurement & construction (EPC) tendering for an additional polypropylene plant (PP5) based on Borealis proprietary Borstar

technology. The plant, to be integrated with the existing Borouge 3 complex, will add value to the surplus propylene available from Takreer's new Propane DeHydrogenation (PDH) unit, producing around 0.5 million tonnes per annum of polypropylene.

H.E. Dr Sultan Jaber, Group CEO of ADNOC, said: "We are committed to realising downstream growth and stretching the value from every barrel of oil we produce. Today's agreement with Borealis marks an important milestone in two key projects that support our smart growth and partnership strategy."

"ADNOC is determined to work with like-minded partners, such as Borealis, as we deliver on our 2030 strategy and unlock and create long-term, sustainable value for the UAE. The Borouge 4 complex and polypropylene plant will allow us to grow our current petrochemical production to almost 10 million tonnes per year, enabling us to take advantage of the market opportunities we have identified, particularly in Asia, where the high-grade polymer market is set to double by 2040."

The Borouge joint venture was established in 1998 and production has progressively ramped up with the consecutive completions of the Borouge 1, 2 and 3 complexes. Current production capacity is 4.5 million tonnes per year, following the successful start-up of Borouge 3 in 2016.

"ADNOC and Borealis have a long and successful history of working in close partnership at Borouge. Today we recommit our long-term engagement in Borouge and we look forward to embarking on the next stage of our journey with the extension and expansion of the Borouge Joint Venture," said Mark Garrett, Borealis Chief Executive.

"Global demand for polyolefin products is being driven by the growth in emerging economies. Both ADNOC and Borealis are determined to take advantage of Borealis leading edge Borstar technology, a world-leading product portfolio and a favourable geographic location at the pivot point between East and West, to capitalise on the markets of steepest growth in Asia."

The framework agreement also identifies that ADNOC and Borealis will review the extension of their successful Borouge joint venture beyond its first 30-year lifetime.

Building new capacity in the UAE ensures the long-term security of supply and further enables Borouge to expand its product portfolio and deliver leading edge products. With the proven track record of operational reliability of Borouge, the new assets will support Borouge customers' growth ambitions in the automotive and energy markets as well as in pipe, agricultural film and the rigid and flexible packaging sectors.

As part of its 2030 strategy, ADNOC aims to expand petrochemical production from 4.5 to 11.4 million tonnes per year by 2025.

END

For further information please contact:

Borealis:

Patrick Laureys
Senior External Communications Manager
tel.: +43 1 22 400 726 (Vienna, Austria)
e-mail: patrick.laureys@borealisgroup.com

ADNOC:

e-mail: media@adnoc.ae

About Borealis

Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. With its head office in Vienna, Austria, the company currently has around 6,600 employees and operates in over 120 countries. Borealis generated EUR 7.2 billion in sales revenue and a net profit of EUR 1,107 million in 2016. Mubadala, through its holding company, owns 64% of the company, with the remaining 36% belonging to Austria-based OMV, an integrated, international oil and gas company. Borealis provides services and products to customers around the world in collaboration with Borouge, a joint venture with the Abu Dhabi National Oil Company (ADNOC). www.borealisgroup.com

About ADNOC

ADNOC is a major diversified group of energy and petrochemical companies, that produces around 3 million barrels of oil and 9.8 billion cubic feet of raw gas a day. Its integrated upstream, midstream and downstream activities are carried out by 16 specialist subsidiary and joint venture companies. To find out more visit www.adnoc.ae
