

Borealis and UCC sign Joint Development Agreement in Abu Dhabi for advancing world-scale polyethylene project during the visit of the President of Kazakhstan with the Crown Prince of Abu Dhabi

Borealis and United Chemical Company LLP (UCC) have signed a Joint Development Agreement (JDA) for the development of a world-scale polyethylene project, integrated with an ethane cracker, in the Republic of Kazakhstan.

Simultaneously, a government support agreement was signed between the two companies and Samruk-Kazyna Chief Executive Akhmetzhan Yessimov as well as the government of the Republic of Kazakhstan, represented by the Minister of Energy, Mr. Kanat Bozumbayev. A Memorandum of Understanding (MoU) was also signed to cooperate on a 500 ktpa polypropylene project that is currently being implemented by Samruk-Kazyna Sovereign Wealth Fund and is under construction. The agreements were ceremoniously signed in Abu Dhabi on 24 March 2018 by the Ministers of Energy of Kazakhstan and of the UAE, in the presence of the President of Kazakhstan, H.E. Nursultan Nazarbayev and the Crown Prince of Abu Dhabi, H.H. Mohammed bin Zayed bin Sultan Al-Nahyan.

The companies, represented by Mark Garrett, Borealis Chief Executive and by Zhenis Osserbay, UCC Chief Executive, then also signed the agreements.

The signing of the JDA comes after the successful conclusion of a pre-feasibility study. The project will now move into the feasibility study phase, which is expected to run until Q1 2019. After the successful completion of the feasibility study confirming the attractive project parameters, a local JV with UCC will be set up*.

The scope of the JDA will include the construction of an ethane cracker and 2 Borstar® PE units, with a total capacity of 1.250 ktpa and with a pre-investment in the cracker for future expansion. The final investment decision on the project is expected to be taken in 2020 and start-up would be scheduled for 2025.

Through this strategic partnership, Borealis and UCC are exploring the opportunities of jointly developing the Kazakhstan polyolefin industry.

“The project is well aligned with the country’s strategy to develop its petrochemical industry and would serve as a strong basis for establishing Kazakhstan on the global polyolefin market,” said Samruk-Kazyna Chief Executive Akhmetzhan Yessimov.

“This project would significantly strengthen Borealis’ position in the CIS markets; adjacent to our home market, with growth rates above WE and significant potential for development of advanced PE business based on our Borstar technology,” said Borealis Chief Executive Mark Garrett.

“A polyethylene plant of this scale would be a significant step forward in creating long term, sustainable value for Kazakhstan from its petrochemical industry,” said Zhenis Osserbay, UCC Chief Executive. “We look forward to continuing our work with Borealis in developing this opportunity.”

* *Subject to regulatory approvals*

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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 7.5 billion in sales revenue and a net profit of EUR 1,095 million in 2017. 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 UCC

The “United Chemical Company” LLP was established in 2009, following the decision of the Board of Directors of the “National Welfare Fund” Samruk-Kazyna JSC on 28 November 2008. This decision followed the request from the President of the Republic of Kazakhstan (RK) at the enlarged Government meeting of the RK on 13 October 2008, which was devoted to the “establishment of a special company devoted to dealing with chemical industry projects.

UCC LLP is now the operator in developing the Kazakhstan petrochemical industry. It ensures the diversification and modernization of the petrochemical and chemical sector and fosters sustainable development by attracting investments and by supporting small and medium-sized businesses. www.ucc.com.kz

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