



Joint News Release

ADNOC, Adani, BASF and Borealis sign Memorandum of Understanding to further evaluate collaboration for a chemical production complex in Mundra, India

- **Propane dehydrogenation (PDH) unit to be established as raw material supply for acrylics value chain and polypropylene production**
- **Total investment estimated to be up to \$4 billion**
- **Supply concept for 100% renewable energy under development**

October 17, 2019 – Abu Dhabi National Oil Company (“ADNOC”), Adani Group (“Adani”), BASF SE (“BASF”) and Borealis AG (“Borealis”) have signed a Memorandum of Understanding (MoU) to engage in a joint feasibility study to further evaluate a collaboration for the establishment of a chemical complex in Mundra, Gujarat, India. This is the next step of BASF’s and Adani’s investment plans as announced in January 2019. With the inclusion of ADNOC and Borealis as potential partners, the parties are examining various structuring options for the chemical complex that will leverage the technical, financial and operational strengths of each company. The total investment is estimated to be up to \$4 billion.

The collaboration includes evaluating a joint world-scale propane dehydrogenation (PDH) plant to produce propylene based on propane feedstock to be supplied by ADNOC. Propylene will be partially used as feedstock for a polypropylene (PP) complex, owned by ADNOC and Borealis, based on proprietary state-of-the-art Borealis Borstar® technology.

The PP complex will be the first overseas production joint investment by ADNOC and Borealis as part of a strategic framework with their current joint venture Borouge. Furthermore, propylene will be the key raw material for the previously announced acrylics value chain complex comprising glacial acrylic acid (GAA), Oxo-C4 (butanols and 2-ethylhexanol), butyl acrylate (BA) and potentially other



downstream products as part of a joint venture of BASF and Adani in which BASF holds a majority.

The designated site is planned at Mundra port in Gujarat, India, and the products are predominantly for the Indian market, serving a wide range of local industries, including construction, automotive and coatings.

The chemical complex in Mundra is intended to be entirely supplied from renewable energy resources. The partners are evaluating co-investment in a wind and solar park with the plans at an advanced stage of development. If realized, this would be the world's first CO₂-neutral petrochemical site to be fully powered by renewable energy, fully in line with the partners' commitment to sustainability and energy efficiency.

Commenting on the MoU signing, Dr. Sultan Al Jaber, UAE Minister of State and ADNOC Group CEO, said: "This exciting collaboration is in line with ADNOC's strategy to foster mutually beneficial partnerships. As a value-adding partner, ADNOC will play a crucial role as the propane feedstock supplier to this project. As the fastest growing global energy market, India is crucial to our international growth ambitions in the downstream sector. As such, this project allows ADNOC and its partners to capture the promising growth in the Indian polyolefins market."

Gautam Adani, Chairman of the Adani Group, stated: "We are very pleased to collaborate with our international partners to establish a Chemical Manufacturing Complex at Mundra Port. We stand committed to the 'Make in India' initiative and serve the larger purpose of aligning growth opportunities with creation of goodness for the nation."

"BASF remains committed to investing in India's growth. We will play a key role in driving this joint collaboration which is also pioneering in terms of sustainability. We look forward to working together with our partners in establishing a chemical cluster in Mundra and to supplying the Indian market with high-quality downstream products," said Dr. Martin Brudermueller, Chairman of the Board of Executive Directors of BASF SE.



Alfred Stern, CEO of Borealis, added: “This partnership is a unique opportunity to strengthen our PP presence in India with proprietary Borealis Borstar PP technology and to create value and tangible benefits through innovation for customers across multiple industries.”

The partners aim to finalize the joint feasibility study by the end of Q1 2020. Production is intended to commence in 2024.

About Abu Dhabi National Oil Company (ADNOC)

ADNOC is one of the world’s leading diversified energy and petrochemicals groups with a daily output of about 3 million barrels of oil and 10.5 billion standard cubic feet of gas. With 14 specialist subsidiary and joint venture companies, ADNOC is a primary catalyst for the UAE’s growth and diversification. To find out more visit www.adnoc.ae. For further information: media@adnoc.ae

About Adani Group

Headquartered in Ahmedabad, India, Adani Group is one of India’s largest integrated infrastructure conglomerates with interests in Resources (coal mining and trading), Logistics (ports, logistics, shipping and rail), Energy (renewable and thermal power generation, transmission and distribution), and Agro (commodities, edible oil, food products, cold storage and grain silos), Real Estate, Public Transport Infrastructure, Consumer Finance and Defence. Adani owes its success and leadership position to its core philosophy of ‘Nation Building’ and ‘Growth with Goodness’ - a guiding principle for sustainable growth. The Group is committed to protecting the environment and improving communities through its CSR programme based on the principles of sustainability, diversity and shared values. Further information at www.adani.com.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 122,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of around €63 billion in 2018. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. Further information at www.basf.com.



About Borealis

Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals, fertilizers and melamine. With its head office in Vienna, Austria, the company currently has more than 6,800 employees and operates in over 120 countries. Borealis generated EUR 8.3 billion in sales revenue and a net profit of EUR 906 million in 2018. 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 globally, in collaboration with Borouge, a joint venture with the Abu Dhabi National Oil Company (ADNOC) and with Baystar™, a joint venture with Total and NOVA Chemicals in Texas, USA. <http://www.borealisgroup.com> | www.borealiseverminds.com

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Media contacts:

BASF

Corporate Media Relations

Christian Zeintl

Phone: +49 621 60-71233

Email: christian.zeintl@basf.com

ADNOC

External Communications

Philip Robinson

Phone: +971 2 70 75997

Email: probinson@adnoc.ae

Adani Group

Corporate Brand Custodian

Roy Paul

Phone: +91 79 2555 6628

Email: media@adani.com;

roy.paul@adani.com

Borealis

Media Relations

Sr. Manager a.i., External Communications

Virginia Mesicek

Phone: +43 1 22 400 772

Email: virginia.mesicek@borealisgroup.com