

December 14, 2009

Additional major investment at Borealis Innovation Headquarters in Linz

- **After opening the Innovation Headquarters, Borealis invests additional EUR 75 million in Linz**
- **Investment in a semi-commercial catalyst plant and development capability to scale up new catalysts for value creating, innovative products**
- **Johannes Kepler University establishes centre for catalyst and process technology**

After investing EUR 50 million in the expansion of the international Innovation Headquarters in Linz, Borealis, a leading provider of chemical and innovative plastics solutions, plans an additional investment of EUR 75 million in Upper Austria, setting the next milestone in the development of the plastics region. The actual implementation is subject to authority permissions and proceedings.

EUR 75 million investment in semi-commercial catalyst plant

With an investment of EUR 75 million Borealis builds a semi-commercial catalyst plant to develop and scale up new catalysts for the production of innovative new polymers. Catalysts are substances which impact the rate of a chemical reaction, making them the most important element in the development of innovative polymer types. Borealis developed a revolutionary, new production technology for catalysts which is protected by 47 international patents. Based on this production technology, the new catalyst plant will support research in the areas of catalyst development and to further improve processes for catalyst production.

The investment in a semi-commercial plant for catalysts in Linz allows Borealis to undertake the necessary development work as well as producing semi-commercial batches for the first phase in the development

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process. This requires a close alignment with the new, recently started-up Borstar® pilot plant in Schwechat (investment EUR 30 million). The catalysts will be used world-wide.

“In Linz we will do the implementation and development of new catalyst types and develop the required techniques and processes,” says Alfred Stern, Borealis Senior Vice President for Innovation & Technology.

“Research for catalyst technology is done in our innovation centre in Porvoo, Finland. Catalysts are needed to build molecular chains during the production of polyethylene and polypropylene and have a significant impact on the features of the final product.”

“This decision was made between competing European locations,” says Gerhard Roiss, Deputy Chairman of the Executive Board of OMV and Chairman of the Borealis Supervisory Board. “Once again, the government of Upper Austria has shown that it anticipates forward-looking trends and made fast decisions to support the investment. This sets another important milestone for the Austrian plastics industry.”

About 350 international Borealis employees from over 30 countries, working in research and product development as well as in marketing and sales, are developing plastic materials of the future for Borealis’ global customers and are housed in the Innovation Headquarters. One hundred new employees in research and development complement the existing approx. 1,100 employees who are currently working for Borealis in Linz.

Johannes Kepler University establishes centre for catalyst and process technology

While Borealis invests in the expansion of its activities in Linz, Johannes Kepler University (JKU) is founding a centre for catalyst and process research.

“Linz is a solid building ground for future looking investments. This is also shown in the professional and close co-operation with JKU which is quickly

responding to the requirements and the developments of the plastics industry,” says Gerhard Roiss.

“The foundation of the centre for catalyst and process technology significantly strengthens the area of polymer chemistry at JKU. Thus, the university once again not only confirms its role as a leading research centre in Austria but also world-wide,” states Richard Hagelauer, Head of JKU.



Governor of Upper Austria, Josef Pühringer; OMV Deputy Chairman and Chairman of the Borealis Supervisory Board, Gerhard Roiss



Borealis Senior Vice President Innovation & Technology Alfred Stern

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Borealis is a leading provider of chemical and innovative plastics solutions that create value for society. With sales of EUR 6.6 billion in 2008, customers in over 120 countries, and 5,400 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 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.

Today Borealis and Borouge manufacture 4.4 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 further information please visit

Borealis: www.borealisgroup.com
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