

May 28, 2010

Borouge signs an agreement to build second compounding plant in China

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, announced its intention to build a second manufacturing plant in China at the signing of an agreement with the Nansha Municipal Government on May 28, 2010.

Speaking at the signing ceremony in Guangzhou, China, William Yau, CEO of Borouge's Marketing Company said: "It is our intention to be a reliable supplier to the rapidly growing automotive and appliance industries in China and therefore we have decided to invest in a second compounding plant that produces tailor-made resins in close proximity to our customers."

This announcement closely follows the inauguration of Borouge's first compounding plant in Shanghai on April 20, 2010, and presents the opportunity for the company to strengthen its presence in China. Construction work on the plant is expected to be completed by the middle of 2012. Provision will be made to produce up to 105,000 tonnes of compounded polypropylene resins annually. The new compounding plant will also benefit from the Application Research and Development Centre being established in Shanghai and the Innovation Centre being built in Abu Dhabi, UAE.

Borouge's commitment to China is further underlined by the set of its Guangzhou office in the beginning of 2010, and its logistics hub located in the Nansha district of Guangzhou.

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William Yau, CEO Borouge's Marketing Company, signs the agreement with Director Pan on his left hand side and another Nansha official. Mayor Chen of Guangzhou Municipality Government and Mayor Luo of Nansha are witnessing the event.

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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.

2 (3)

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.

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