

Media Release  
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## **Borealis and Statoil to renew their long term ethane sourcing contract**

**Borealis**, a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers, announces a new long term agreement to source ethane from Norwegian Statoil for its flexible steam cracker in Stenungsund, Sweden. This contract will continue to provide Borealis with an attractive source of feedstock for its petrochemical complex in Stenungsund.

Borealis and Statoil have renewed the contract for the supply of ethane from Statoil's gas plant at Kårstø, Norway, which will secure a significant volume of ethane to Borealis' cracker in Stenungsund for the coming years. The ethane supply has been agreed at competitive terms for both parties, taking into account the global change of the ethane market due to the availability of US shale gas. The new contract will start in October 2015 and last for a period of 7 years.

"The renewal of the ethane supply contract with Statoil shows the value of our long term partnership," explains Mark Garrett, Borealis Chief Executive. "This new contract will secure that our Stenungsund petrochemical complex will stay ahead of the curve in an increasingly competitive environment for the European industry."

Borealis' cracker in Stenungsund is one of the most feedstock flexible crackers in Europe. Apart from ethane it can also crack naphtha, propane and butane. Stenungsund has significant liquefied petroleum gas (LPG) storage capacity, allowing the company to source LPG from various sources with vessel sizes up to very large gas carriers.

"The new ethane deal will secure the continuous supply of competitively priced ethane to the Stenungsund cracker," says Markku Korvenranta, Borealis Executive Vice President Base Chemicals. "The short sailing time between Statoil's Kårstø gas extraction plant and Stenungsund has enabled us to operate the supply chain without major issues for the last 14 years to the benefit of both parties."

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“Statoil is pleased to enter into a long-term ethane agreement with Borealis. This extends a productive relationship that has existed from the 90’s when Statoil had an ownership stake in Borealis and with the start of ethane deliveries from Kårstø in 2000,” comments Tor Martin Anfinnsen, Statoil’s Senior Vice President for the Crude Liquids and Products Business Unit. “This agreement favourably positions Norwegian ethane and the Kårstø location competitively in a future market place where ethane feedstock import from the US has become available to European based petrochemical plants.”



Photo, f.l.t.r.: Mark Garrett, Borealis CEO, Eldar Sætre, Executive Vice President Statoil; Markku Korvenranta, Executive Vice President Base Chemicals, Borealis.  
Photo: © Borealis

### Note to editors

Borealis’ olefins portfolio in Europe is built around integrated crackers and derivative complexes:

- Porvoo, Finland
- Stenungsund, Sweden
- Kallo, Belgium
- Schwechat, Austria
- Burghausen, Germany

Borealis’ Polyolefins capabilities position the company’s business in Europe among the leading and innovative supplier to the polyethylene (PE) and polypropylene (PP) market.

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**About Statoil**

Statoil is an international energy company with operations in 33 countries. Building on 40 years of experience from oil and gas production on the Norwegian continental shelf, we are committed to accommodating the world's energy needs in a responsible manner, applying technology and creating innovative business solutions. We are headquartered in Stavanger, Norway with approximately 23,000 employees worldwide, and are listed on the New York and Oslo stock exchanges.

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**Borealis** is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. With headquarters in Vienna, Austria, Borealis currently employs around 6,200 people and operates in over 120 countries. It generated EUR 7.5 billion in sales revenue in 2012. The International Petroleum Investment Company (IPIC) of Abu Dhabi owns 64% of the company, with the remaining 36% owned by OMV, the leading energy group in the European growth belt. 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).

Building on the unique Borstar® and Borlink™ technologies and 50 years of experience in polyolefins, Borealis and Borouge support key industries including infrastructure, automotive and advanced packaging. The Borouge plant expansion in Abu Dhabi will be fully operational by mid-2014 with a total annual capacity of 4.5 million tonnes. After this Borealis and Borouge will have approximately 8 million tonnes of polyolefin capacity.

Borealis offers a wide range of base chemicals, including melamine, phenol, acetone, ethylene and propylene servicing a wide range of industries. Together with Borouge the two companies will produce approximately 6 million tonnes of Base Chemicals in 2014.

Borealis also creates real value for the agricultural industry with a large portfolio of fertilizers. The company distributes approximately 2.1 million tonnes per year. This volume will increase to around 5 million tonnes by the end of 2014.

Borealis and Borouge aim to proactively benefit society by taking on real societal challenges and offering real solutions. Both companies are committed to the principles of Responsible Care®, an initiative to improve safety performance within the chemical industry, and contribute to solve the world's water and sanitation challenges through product innovation and their Water for the World™ programme.

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