

Sadara Chemical Company and Chemie-Cluster Bayern Sign Joint Cooperation Agreement



Riyadh, Saudi Arabia - 27 January, 2015: Sadara Chemical Company (Sadara) and Chemie-Cluster Bayern GmbH (CCB) have today signed an agreement to cooperate and jointly support the development of Chemical based value chains in PlasChem Park in Jubail, Saudi Arabia. This cooperation agreement will primarily focus on the identification and attraction of German and European Small and Medium Enterprises (SMEs) working in the Chemicals industries to establish a presence in PlasChem Park, which is a collaborative effort by Sadara and the Royal Commission for Jubail and Yanbu (RCJY). The signing was co-initiated by the German-Saudi Arabian Liaison Office for Economic Affairs.

Building on the knowledge that both Sadara and CCB have developed the Saudi chemical market, the agreement will also help the two parties identify hidden local market potential where



joint business development efforts can be more effective than those of individual SMEs. Member companies of the CCB network will benefit by being able to capitalize on downstream investment opportunities, thereby establishing or expanding their manufacturing presence into the Kingdom, leveraging the friendly business environment, the availability of differentiated raw materials, the robust infrastructure and the shared services to be made available at Sadara's PlasChem Park complex.

CCB is a German public-private partnership organization initiated by the state government of Bavaria, chemical industry associations, several Bavarian universities and research organizations. It represents a network of about 270 companies and research institutes from Bavaria's chemical industries. CCB's member companies have an export rate of more than 65% of their total sales and represent leading solution providers for a broad portfolio of chemical products and value chains.

"Our partnership with CCB will support our ongoing efforts in the development of the Kingdom's value-added downstream industry. The Kingdom is driving downstream development in many sectors, and we are actively working to develop new downstream opportunities in the chemicals industries. The rewards of this mutually beneficial relationship will spread throughout the Saudi economy and help diversify the Kingdom's industrial portfolio." said the Director of Value Park at Sadara, Mr. Mohammad Alazzaz. The Value Park team is responsible for promoting and developing differentiated chemical downstream opportunities to be located in the Jubail PlasChem Park.

"Sadara's strategy of attracting diversified and differentiated chemical producers to the PlasChem Park complex provides promising opportunities for CCB's member companies. Our Value Creation Partnership initiative explores advanced market needs, in particular for the technology-driven hidden champions among Bavaria's chemical industry," said Mr. Daniel Gottschald, Managing Director of CCB.

"Saudi Arabia is an attractive target region for the Value Creation Partnership team, representing growth markets not only for chemical value chains, but also for the mining, heavy industry and



building components sectors. The combination of Sadara's powerful market access to Saudi Arabia and CCB's network of innovative solution providers forms a strong alliance set to boost value creation in the Kingdom," concluded Mr. Gottschald.

Under the terms of the agreement, Sadara and CCB will collaborate to identify promising market opportunities in Saudi Arabia for chemical companies, in particular SMEs with a specific interest in opening or expanding operations in the Kingdom and connect those companies with the right partners to drive their success.

A key factor of the agreement is the PlasChem Park project, a 12-square-kilometer site in Jubail Industrial City II, located next to Sadara's new manufacturing complex and devoted exclusively to chemical and conversion industries. PlasChem Park offers tenants easy access to Sadara's differentiated product slate, as well as inputs from other local petrochemical producers, enabling downstream industries based on polyurethane, amines, glycol ether, polyethylene, propylene glycol and other products.

"Sadara is focused on identifying the right partners and forming strong relationships that will allow us to maximize the value we create for the Saudi economy and our downstream industry. The cooperation agreement with CCB will benefit both partners, and I look forward to seeing the results of this exciting new partnership," said Mr. Alazzaz.

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About Sadara:

Sadara is a joint venture developed by the Saudi Arabian Oil Company (Saudi Aramco) and The Dow Chemical Company. With a total investment of about \$20 billion, Sadara is building a world scale chemical complex in Jubail Industrial City II in Saudi Arabia's Eastern Province. Comprised of 26 world scale manufacturing units, the Sadara complex is the world's largest to be built in a single phase and will be the first in the Middle East to use refinery liquids, such as naphtha, as feedstock. By using best-in-class technologies to crack refinery liquid feedstock, Sadara will enable many industries that either currently do not exist in Saudi Arabia or only exist through imports of raw materials. The adjacent PlasChem Park, a unique collaboration between Sadara and the Royal Commission for Jubail and Yanbu, will create more value downstream, generating unprecedented investment, innovation, economic growth and thousands of jobs. Sadara is on

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track to deliver its first products in the second half of 2015, with the complex in full operation in 2016.

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