



Sadara Chemical Company Announces Start-Up of Mixed Feed Cracker

- *Sadara is the only company to crack naphtha in Saudi Arabia*
- *The MFC will allow Sadara to produce a diversified range of plastics and chemical products*
- *The MFC contains 12 furnaces to crack naphtha and ethane*

Jubail, Kingdom of Saudi Arabia – August 28, 2016: Sadara Chemical Company (Sadara) announces that it has started up its mixed feed cracker (MFC) on August 28, 2016. The MFC is the only one of its kind in Saudi Arabia and will allow Sadara to produce a diversified range of plastics and chemical products.

The MFC is made up of 12 furnaces, of these, seven will be used to crack ethane (gas), while the remaining five will be used to crack naphtha (liquid). Three of the five liquid furnaces are designed so that they can switch between gas and liquid feedstock.

Commenting on the announcement, Sadara CEO Ziad Al-Labban said, "Making memorable history is always cause for celebration, and I am immensely appreciative and proud of everyone who contributed to this achievement. The mixed-feed cracker is the heart of the Sadara chemical complex and the single-most important component that underpins our vision to be a game changer within the local and regional chemical industry."

The MFC is one of 26 manufacturing units located in the \$20 billion Sadara chemical complex in Jubail Industrial City II. Of these units, 14 will deliver products that are completely new to being produced in the Kingdom.

"The state-of-the-art mixed-feed cracker allows us to produce our own basic chemicals on-site, and subsequently to convert these basic chemicals into a wide range of value-added plastics and specialty chemicals through our other manufacturing units. It also allows us to adjust our production levels of chemicals between naphtha-based and ethane-based feedstock in accordance with market demand."

"Sadara's products will help fill a significant gap in a regional chemical industry dominated by commodity products, with less than 1% of petrochemical production currently defined as specialty chemicals. The introduction of the specialty petrochemicals and chemicals will help support the drive to broaden the secondary and tertiary petrochemical manufacturing landscape in Saudi Arabia, thus making the Kingdom a leading cornerstone to meet the growing demand for specialty products locally and regionally," Al-Labban explained.

In addition to supplying international markets, Sadara's products will be utilized for downstream applications by investors located in the adjacent PlasChem Park, a collaborative effort between Sadara and the Royal Commission for Jubail and Yanbu. Located adjacent to the Sadara chemical complex, PlasChem Park offers the advantages of the strong industrial and regulatory infrastructure in Jubail, secure feedstock, proximity to growing and emerging markets, and a qualified local

workforce. Collectively, these factors offer investors unprecedented growth and development opportunities, the potential to create thousands of sustainable jobs, and make a positive and lasting impact on the Saudi economy.

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