



# SABIC SIGNS PROJECT DEVELOPMENT AGREEMENT WITH CHINA'S SHENHUA NINGXIA COAL INDUSTRY GROUP

30 May 2016

SABIC has signed a Project Development Agreement (PDA) with Shenhua Ningxia Coal Industry Group Co. Ltd. (SNCG), a subsidiary of Shenhua Group Corporation Limited, to be effective by May 30, 2016.

The PDA relates to the two parties' potential joint development of a greenfield petrochemical complex to be located in the Ningxia Hui Region of China. The parties would proceed with further actions to implement the project in the event of a positive final investment decision and subject to obtaining all necessary governmental approvals. The joint venture would benefit from its location in Ningxia and utilize locally available coal feedstocks to be supplied by SNCG.

The PDA provides a basis for the parties to conduct a joint feasibility study on the project, within three years starting from the date when the agreement became effective, and, subject to a positive outcome, to prepare and submit the materials necessary to obtain Project Application Report approval (PAR Approval) from the National Development and Reform Commission (NDRC) of the Peoples' Republic of China.

This project is part of SABIC's ongoing strategy to geographically diversify its operations and to seek future investment opportunities that opens doors to new markets. SABIC will announce further details in due course.

HRH Prince Saud Bin Abdullah Bin Thenayan Al Saud, Chairman of the Royal High Commission for Jubail and Yanbu and Chairman of SABIC highlighted the importance of the agreement, "This agreement clearly reflects SABIC's desire to expand its global operations and get ever closer to our customers. SABIC's ongoing strategy is to geographically diversify our operations and seek future investment opportunities that open doors to new strategic markets."

SABIC Vice Chairman & CEO, Yousef Al-Benyan commented on this agreement saying, "This project reflects our enthusiasm to diversify our sources of feedstock,

paving the way for further investment opportunities that depend on different and untraditional sources of feedstock. This protects SABIC against the fluctuations and cyclical movements in feedstock price in the international markets, which helps ensure a profitable growth strategy.”

Yaarob Al-Thenayan  
Director, Global Media

[Back](#)

JOIN US:



[YOUTUBE](#)



[TWITTER](#)



[FACEBOOK](#)



[LINKEDIN](#)

[HOME](#)

[OUR COMPANY](#)

[PRODUCTS](#)

[NEWS & MEDIA](#)

[TECHNOLOGY AND INNOVATION](#)

[SUSTAINABILITY](#)

[CAREERS](#)

[INVESTOR RELATIONS](#)