BOREALIS
Keep Discovering

Media Release
Vienna, Austria | 22 September 2016

Borealis to study feasibility of a new, world-scale propane dehydrogenation plant in Belgium

Borealis, a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers, will study the feasibility of a new, world-scale propane dehydrogenation (PDH) plant. The plant would be located at the existing Borealis production site in Kallo, Belgium.

The feasibility study will be carried out over the next nine months. The final investment decision is expected to be taken in the third quarter of 2018, while the potential start-up of the plant is scheduled for the second half of 2021. The new PDH plant would have a targeted annual production capacity of 740 Kiloton per calendar year, making it one of the largest and most efficient facilities in the world. The Borealis Kallo location has been chosen due to its excellent logistical position and its experience in propylene production and handling. Borealis has selected Honeywell UOP's Oleflex™ technology for the new plant. This technology is widely used and is a reliable and sustainable choice for on-purpose propylene production.

"A new PDH plant of this scale would be a significant investment for Borealis in Europe. It would strengthen our long term commitment to be the innovative polypropylene and propylene supplier that is meeting the needs of our customers today and in the future," says Markku Korvenranta, Borealis Executive Vice President, Base Chemicals. "During the coming quarters we will be engaging with the value chain partners and authorities to work out the commercial and operational details of the project."

"In Europe propylene demand is increasing while the supply growth from steam crackers and refineries is slowing down. With the market tightening, an on-purpose propylene investment is needed to ensure a reliable platform for continuous, long-term growth in propylene and its derivatives in Europe," explains Thomas Van De Velde, Borealis Vice President, Hydrocarbons & Energy

Borealis Hydrocarbons & Energy

Flexible, integrated steam crackers as well as the PDH plant and their associated production units, form the backbone of the Borealis olefins and polyolefins portfolio in Europe. Borealis sources basic feedstocks such as propane, naphtha, butane and ethane from the oil and gas industry and converts these into ethylene, propylene and other high value hydrocarbons.

Note to editors

In an "on-purpose" propylene production route, propane is selectively dehydrogenated, which means that hydrogen is removed from the molecule in a chemical process, to become propylene. Propylene is

Borealis AG | IZD Tower | Wagramer Strasse 17-19 | A-1220 Vienna | Austria
Tel +43 (0) 1 22 4000 | Fax +43 1 22 400 333
www.borealisgroup.com | reg no FN 269858 a

also a by-product from the steam cracking of liquid feedstocks such as naphtha or liquefied petroleum gas (LPG), and from off-gases produced in refineries.

Photo: Borealis' production location in Kallo, Belgium
© Borealis

END

For further information please contact:

Kerstin Artenberg
Vice President HR & Communications
Tel. +43 (0)1 22 400 389 (Vienna, Austria)
e-mail: kerstin.artenberg@borealisgroup.com

Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. With headquarters in Vienna, Austria, the company currently has around 6,500 employees and operates in over 120 countries. Borealis generated EUR 7.7 billion in sales revenue and a net profit of EUR 988 million in 2015. The International Petroleum Investment Company (IPIC) of Abu Dhabi owns 64% of the company, the remaining 36% belonging to OMV, an international, integrated oil and gas company based in Vienna. 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 its proprietary Borstar® and Borlink™ technologies and more than 50 years of experience in polyolefins, Borealis and Borouge support key industries with a wide range of applications in the areas of energy, automotive, pipes, consumer products, healthcare, and advanced packaging.

The Borouge 3 plant expansion will make Borouge the world's largest integrated polyolefins complex. Once fully ramped up in 2016, the additional 2.5 million tonnes of polyolefins capacity will yield a total Borouge capacity of 4.5 million tonnes, and a combined Borealis and Borouge capacity of 8 million tonnes.

Borealis offers a wide range of base chemicals, including melamine, phenol, acetone, ethylene, propylene, butadiene and pygas, servicing a wide range of industries. Borealis also creates real value for the agricultural industry, selling approximately 5 million tonnes of fertilizers. Technical nitrogen and melamine products complement the portfolio with applications ranging from mono-nitrogen oxide (NOx) abatement to glues and laminates in the wood working industry.

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 work to solve the world's water and sanitation challenges through product innovation and their Water for the World™ programme.

For more information visit:
www.borealisgroup.com
www.borouge.com
www.waterfortheworld.net

Borealis AG | IZD Tower | Wagramer Strasse 17-19 | A-1220 Austria
Tel +43 (0) 1 22 4000 | Fax +43 1 22 400 333
www.borealisgroup.com | reg no FN 269858 a

BOREALIS