

INEOS TO DELIVER FIRST EVER US ETHANE FROM SHALE GAS TO CHINA IN 2019 USING WORLD'S LARGEST ETHANE CARRIER



INEOS and China's SP Chemicals agree long term supply agreement for ethane from US Shale Gas

Agreement includes construction of new carrier ship, the largest ethane carrier ever built.

INEOS has today announced a long-term supply agreement with SP Chemicals to deliver ethane from US shale gas to China. The agreement, which will see US shale gas shipped to China for the first time, will supply SP Chemicals with a long-term competitive supply of ethane for its industrial production.

The deal will involve the construction of a 95,000cbm capacity ship which is expected to be delivered in 2019. The ship, known in the US as a 'Very Large Ethane Carrier' or VLEC will be the largest ethane carrier in the world, and will ship US shale gas to SP Chemicals new gas cracker facility, currently under construction in Taixing China. As with the INEOS Dragon ships, this vessel will be operated by EVERGAS. It will be the first VLEC in their fleet of 23 gas ships. The ship will be built in China under the management of the JACCAR Group.

Ethane is used to make ethylene – one of the world's most important chemical building blocks. Ethylene is an important raw material used to make products for a wide variety of industrial and consumer markets such as transportation, electronics, textile and construction.

David Thompson, CEO of INEOS Trading and Shipping, said, "This is another world first for INEOS after importing shale gas to Europe in 2015. By bringing in US shale gas to China for the first time, we are now leading the way in shipping ethane worldwide to meet the needs of an expanding chemicals sector. We are excited to work with a client such as SP Chemicals and we look forward to delivering this historic project."

Chan Hian Siang, CEO of SP Chemicals, said, "SP Chemicals is honoured and very happy to work with INEOS, a first-class global company, to ship ethane over a journey of more than 18,900 km across the Pacific Ocean from USA to Taixing City, Jiangsu province, PRC. It has long been a dream for SP Chemicals to integrate upstream. SP Chemicals will commission a gas cracker plant in 2019 to produce 650,000 tons per annum of ethylene. This first long-term supply agreement for ethane with INEOS will be an important milestone for SP Chemicals to achieve self-sufficiency for its ethylene requirements."

Jacques De Chateauvieux, Chairman of the JACCAR Group, said, "This Contract illustrates JACCAR's ability to offer a comprehensive solution with type C Tri-lobe VLEC tanks developed by JHW Engineering and Contracting, in co-operation with the Hartmann Group up to the contracting and operating by Evergas. We feel honoured by the trust of INEOS in us in delivering and operating the world's largest VLEC with type C tanks."

Steffen Jacobsen, CEO of Evergas, said "We are very pleased to further strengthen our relationship with INEOS co-operating on the seaborne transportation of Ethane from the US to China".

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About INEOS

INEOS is a global manufacturer of petrochemicals, speciality chemicals and oil products. It comprises 25 businesses each with a major chemical company heritage. Its production network spans 105 manufacturing facilities in 22 countries throughout the world, employing 18500 people. INEOS products make a significant contribution to saving life, improving health and enhancing standards of living for people around the world. Its businesses produce the raw materials that are essential in the manufacture of a wide variety of goods: from paints to plastics, textiles to technology, medicines to mobile phones – chemicals manufactured by INEOS enhance almost every aspect of modern life.

About SP Chemicals



SP Chemicals is the largest ion-membrane chlor-alkali manufacturer in Jiangsu Province, and the fourth largest in the PRC, with annual revenues of more than RMB6 billion. SP Chemicals currently employs more than 1,200 employees. SP Chemicals manufactures chlor-alkali products and related downstream products, with annual production capacities of 750,000 tons per annum ("tpa") for caustic soda, 660,000 tpa for chlorine, 135,000 tpa for aniline, 500,000 tpa for VCM, and 320,000 tpa for styrene monomer. SP Chemicals sells mostly to customers who are based in Jiangsu, Zhejiang and Shandong provinces, as well as Shanghai. SP Chemicals also exports its products to the USA, Australia, Japan, and Korea. SP Chemicals' customers include multinational corporations, such as BASF and Akzo Nobel, and PRC state-owned and private enterprises, in a diverse range of industries – such as petrochemicals, textiles, paper, consumer goods, plastic polymers, rubber, dye, and pharmaceuticals.

About JACCAR Group

JACCAR is a maritime conglomerate operating more than 500 vessels and led by Jacques de Chateauvieux. The group controls Bourbon, a world leader in the offshore service sector. The group has invested heavily in vessel construction in China and have taken delivery of over 250 vessels from own yard. Primary focus of the group is within the oil & gas industry.

About EVERGAS

Evergas is a leading first class operator within the transportation of liquefied gas, ensuring safe and flexible operations for its range of customers. Its modern and effective fleet is represented within the carriage of LNG, ethane, LPG and petrochemical gases such as ethylene, propylene, butadiene and VCM. Evergas currently transports ethane for INEOS from US to Europe on 8 advanced multi-gas carriers.

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