

**METHANOL CHEMICALS COMPANY (CHEMANOL) SIGNS A MEMORANDUM OF UNDERSTANDING WITH SAHARA PETROCHEMICALS COMPANY**

2011-05-07 (1432-06-04 )

Chemanol is pleased to announce that it has signed a Memorandum of Understanding with Sahara Petrochemicals Company today Saturday 4 Jumada II 1432 H corresponding to May 7, 2011 to own 15 % equity in the project of Neo pentyl Glycol. Mr. Khalid Bin Ibrahim Al Rabiah (CEO of Chemanol) said that the production capacity of the project would be 50,000 MT annually and the mechanical completion of the project is expected to take place during Q2 2014. NPG has many applications in industries like coatings, insulation and plasticizers. The estimated cost of the project is about SR 470 million. The MOU signed also states that Chemanol will supply the Formaldehyde, a major raw material used for the production of NPG, to this project. All major agreements relating to the project, whenever effected, would be immediately announced by Chemanol.

