



## **SABIC AND EXXONMOBIL TO PROCEED WITH SPECIALTY ELASTOMERS PROJECT IN AL-JUBAIL**

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Saudi Basic Industries Corporation (SABIC) and affiliates of ExxonMobil announced today they will construct a world-scale specialty elastomers facility at the Al-Jubail Petrochemical Company (KEMYA) manufacturing joint venture. The facility will be integrated with the existing Al-Jubail complex and completion is anticipated in 2015. Both companies have approved the next stage of project development, the engineering, procurement and construction (EPC) phase.

With a total investment of US \$3.4 billion, which will be financed from shareholder and or third party debt, the facility will have the capacity to produce up to 400,000 tonnes per year of rubber including halobutyl, styrene butadiene, polybutadiene, and ethylene propylene diene monomer (EPDM) rubbers, thermoplastic specialty polymers, and carbon black to serve local markets, the Middle East and Asia. KEMYA has awarded the engineering, procurement, and construction contracts for the elastomers facility to: Daelim Industries, Technip, and Tecnicas Reunidas.

Al-Jubail Petrochemical Company (KEMYA) is a 50-50 joint venture between Saudi Basic Industries Corporation (SABIC) and Exxon Chemical Arabia Inc., an affiliate of ExxonMobil Chemical Company. The two companies have collaborated closely since the joint venture was established in 1980, producing polyethylene, ethylene and propylene. The new synthetic rubber project represents a significant broadening of KEMYA's product portfolio.

Associated with the new KEMYA elastomers facility is the establishment of the High Institute for Elastomer Industries (HIEI), a vocational training center in Yanbu, a Product Application Center in Riyadh, and thermoplastic polyolefin (TPO) compounding and inventory management facilities in Al-Jubail. These facilities are aligned with the Kingdom's National Industrial Clusters Development Program to expand and diversify Saudi Arabia's manufacturing sector. The HIEI will employ innovative polymer science education programs developed at the University of Akron Research Foundation (UARF), in Ohio, USA to train Saudis for the Kingdom's developing elastomers conversion industry. The HIEI is scheduled to begin classes in September 2012.

Mohamed Al-Mady, SABIC Vice Chairman and CEO said, "The KEMYA elastomers facility demonstrates our commitment to build and champion a first-rate rubber industry in Saudi Arabia that supports job creation, develops downstream industries and helps diversify the national economy. The strategic partnership between SABIC and ExxonMobil provides the strength of industry-leading competitive assets, introduces new specialty products to the Kingdom and offers global marketing and supply capability of exceptional quality. We will provide the building blocks for our customers to successfully compete on a domestic and international scale in markets for a wide range of applications."

"ExxonMobil is proud to be a leading foreign investor in, and customer of, the Kingdom of Saudi Arabia," said Steve Pryor, president of ExxonMobil Chemical Company. "This first-of-its-kind elastomers facility in the Kingdom creates a platform that will support the development of a rubber industry, which is designed to produce a broad range of consumer products."

An expanding transportation infrastructure in the Middle East and Asia-Pacific region has created strong demand for rubber products. The new world-scale KEMYA elastomers project will help meet this ever-growing demand. The facility will rely on commercially competitive, high-impact technologies, including proprietary ExxonMobil EPDM, thermoplastic elastomer (TPE) and halobutyl rubber technologies.

"The expansion will employ the latest proprietary processes and product technologies to meet the growing global demand for specialty elastomers," said Neil Chapman, senior vice president, polymers, for ExxonMobil Chemical Company.

"The project will help maintain an important focus on accelerating the growth and diversification of the Kingdom's manufacturing sector," said Koos van Haasteren, Executive Vice President, Performance Chemicals, SABIC. "The HIEI, product support center, and the KEMYA elastomers facility together build a strong foundation for investments in targeted industries such as tire manufacturing, building and construction, automotive and appliances."

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