

Press Release:

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**Saudi Butanol Company receives ministry approval
to build world's largest butanol plant to support
downstream industries in Saudi Arabia**

Saudi Butanol Company (SaBuCo), which was recently registered by the Saudi Ministry of Commerce and Industry, will be building the world's largest butanol plant to be located in Jubail, Kingdom of Saudi Arabia. SaBuCo is a joint venture resulting from strong cooperation among three leading Saudi petrochemical companies, Sadara Chemical Company (Sadara), Saudi Kayan Petrochemical Company (Saudi Kayan) and Saudi Acrylic Acid Company (SAAC), and their commitment to creating economic value through efficient and effective utilization of the Kingdom's natural resources.

A celebration to mark the official formation of SaBuCo was held in Riyadh recently by the three project partners. While thanking the Ministry of Petroleum and Mineral Resources and the Ministry of Commerce and Industry for their continuing support, the three partners pledged to further expand and deepen their cooperation to support development and diversification of the Kingdom's economy.

With an estimated investment of \$517 million, SaBuCo will build the first ever butanol plant in the Middle East and its products will support growth of the paints and coatings industry in Saudi Arabia. The design capacity of the plant, which is scheduled to go on-stream in 2015, is 330,000 metric tons per annum of n-butanol and 11,000 metric tons per annum of iso-butanol.



Ziad Al-Labban, Sadara CEO, said, "This is another example of success through teamwork and collaboration. We are pleased to team up with Saudi Kayan and SAAC in this joint venture to create further downstream economic value in Saudi Arabia from butanol-based products."

Mazyad Al-Khaldi, Saudi Kayan President, said that the project will add a new product to the Saudi Kayan portfolio, which will contribute to the development of the local downstream industry. "We are happy at the success all of us have achieved in arriving at a workable business arrangement. It was only due to the dedicated efforts and teamwork on the part of all the partners in all areas that we have been able to make the project a reality," he said.

Saleh Al-Nazha, National Industrialization Company (TASNEE) CEO and SAAC Chairman, who has been named the General Manager of SaBuCo, said that the butanol plant will provide additional integration to SAAC's Acrylates Complex, which is the first complex of its kind in the region. "We greatly appreciate the opportunity to collaborate with SABIC/Saudi Kayan and Sadara and their trust in TASNEE to build and operate the joint butanol plant on behalf of the partners. We can jointly benefit from the economies of scales which will enhance our national petrochemical industries' competitiveness in the world."

As per an earlier agreement signed in December, 2012, the new butanol plant will be located at the TASNEE petrochemical complex in Jubail Industrial City and will also be operated by TASNEE. It will provide new job opportunities for Saudi citizens in support of the Kingdom's efforts to create long-term, value adding jobs for nationals.

Picture captions:



The SaBuCo partners sign the agreement covering several key elements of the joint venture.



The three SaBuCo partners after signing the agreement



The joint venture teams after celebrating the official formation of SaBuCo.

About Sadara

Sadara Chemical Company is a joint venture developed by the Saudi Arabian Oil Company and The Dow Chemical Company. Established in October 2011, Sadara is building and will own and operate a world-scale complex in Jubail, Saudi Arabia. Comprised of 26 manufacturing units, the Sadara complex will be the world's largest integrated chemical facilities ever built in a single phase with many products such as elastomers and polyurethanes to be made in the Kingdom for the first time. Sadara and the adjoining PlasChem Park will generate thousands of employment opportunities for Saudi nationals.

About SABIC

Saudi Basic Industries Corporation (SABIC) ranks among the world's top petrochemical companies. The company is among the world's market leaders in the production of polyethylene, polypropylene and other advanced thermoplastics, glycols, methanol and fertilizers.



SABIC recorded a net profit of SR 24.72 billion (US\$ 6.59 billion) in 2012. Sales revenues for 2012 totaled SR 189 billion (US\$ 50.40 billion). Total assets stood at SR 338 billion (US\$ 90.13 billion) at the end of 2012.

SABIC's businesses are grouped into Chemicals, Polymers, Performance Chemicals, Fertilizers, Metals and Innovative Plastics. SABIC has significant research resources with 18 dedicated Technology & Innovation facilities in Saudi Arabia, the USA, the Netherlands, Spain, Japan, India, China and South Korea. The company operates in more than 40 countries across the world with around 40,000 employees worldwide.

SABIC manufactures on a global scale in Saudi Arabia, the Americas, Europe and Asia Pacific.

Headquartered in Riyadh, SABIC was founded in 1976 when the Saudi Arabian Government decided to use the hydrocarbon gases associated with its oil production as the principal feedstock for production of chemicals, polymers and fertilizers. The Saudi Arabian Government owns 70 percent of SABIC shares with the remaining 30 percent held by private investors in Saudi Arabia and other Gulf Cooperation Council countries.

About Saudi Kayan

Saudi Kayan Petrochemical Company (Saudi Kayan) is a joint stock company operating one of the largest petrochemical complexes in the world. Located in Jubail Industrial City, the company produces specialized chemicals some of them produced for the first time in Saudi Arabia. These products include ethanolamines (MEA, DEA & TEA), ethoxylates, phenol, cumene and polycarbonate which will provide a wide range of opportunities for the downstream industries in Saudi Arabia. Saudi Kayan is also producing ethylene, propylene, polyethylene, polypropylene, ethylene glycol, natural detergent alcohol, bisphenol-a, and acetone, besides other specialized products.

About SAAC

Saudi Acrylic Acid Company (SAAC) is owned by TSOC, an affiliate of TASNEE and Sahara Petrochemicals Company. The butanol project is SAAC's third project after the acrylic acid and superabsorbent polymer plants that will come on stream in 2013.
