



Sadara Signs Agreements to Sell and Lease Back Packaging Center Assets

JUBAIL, Saudi Arabia - January 17, 2018 -- Sadara Chemical Company (Sadara) has today concluded negotiations with Al Fozan, a leading Saudi conglomerate, regarding a set of agreements relating to the sale and lease back of the Sadara Solids and Liquids Handling Center, also known as the Packaging Center, located in Sadara's Jubail chemical complex. These agreements were signed with Intercontinental Company for Technical Support Services Limited (ICTSS), which is wholly owned by Al Fozan Holding Company and Madar Al-Aseel Company Limited.

The agreements govern the sale and transfer of Packaging Center assets to ICTSS and the lease back of these facilities to Sadara.

The Packaging Center is Sadara's primary logistics facility for its Jubail chemical complex, covering solids and liquids handling, and includes: packaging, warehousing, storage, drumming, ISO container loading and unloading, container stuffing, truck dispatch and a container marshaling yard for inbound and outbound products and certain raw materials.

"The transaction with Al Fozan is sale and lease back transaction which will free up some capital for Sadara, and will not affect the operations of Sadara or the Packaging Center itself," said Dr Faisal Al-Faqeer, Sadara CEO.

"This deal represents a step towards realizing the original design of Sadara, which will see a third-party partner owning the Packaging Center, allowing us to focus our efforts on the manufacturing side of the business - that of producing our wide range of diversified chemicals and plastics to serve the local and global market's needs," he concluded.

The Packaging Center assets are located on the Sadara site, and ICTSS will sub-lease the land from Sadara and lease back the Packaging Center facilities.

-Ends-

About Sadara:

Sadara is a joint venture developed by the Saudi Arabian Oil Company (Saudi Aramco) and The Dow Chemical Company. Sadara is a multi-billion dollar world-scale chemical complex in Jubail Industrial City II in Saudi Arabia's Eastern Province. Comprised of 26 world-scale manufacturing units, the Sadara chemical complex is the world's largest to be built in a single phase and is the only chemical company in the Middle East to use refinery liquids, such as naphtha, as feedstock. By using best-in-class technologies to crack refinery liquid feedstock, Sadara will enable many industries that either currently do not exist in Saudi Arabia or only exist through imports of raw materials. The adjacent PlasChem Park, a unique collaboration between Sadara and the Royal Commission for Jubail and Yanbu', will create more value downstream, generating unprecedented investment, innovation, economic growth and thousands of jobs.

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