

Sadara and Juffali Sign Multi-Year “BTG” Supply Agreement Following Successful “MDI” Agreement

*New production facility part of Juffali chemical production complex to be located
in PlasChem Park*

Jubail, 01 September, 2015: Sadara Chemical Company and E. A. Juffali & Brothers, a privately-owned Saudi company, have signed a second supply agreement, this time for **Butyl Tri-Glycol ether (BTG)**, following the successful execution of an MDI supply agreement in July 2015. With this new agreement, Sadara will supply BTG to one of the new plants that will be built in the planned Juffali chemical production complex to be based among other plants in PlasChem Park in Saudi Arabia’s Jubail Industrial City II.

The new Juffali complex will consist of several manufacturing plants designed to produce highly differentiated chemicals and products slated for use in the Kingdom of Saudi Arabia’s various industries. Some of the plants will receive a direct feed of Sadara’s products, namely the MDI plant and the BTG plant that have been announced thus far, while other plants will rely on raw materials provided by other suppliers.

The PlasChem Park where the new Juffali complex will reside, among other downstream manufacturers, is adjacent to the Sadara Chemical Complex and covers a 12km² area. It is a unique industrial platform and a collaborative effort between the Royal Commission for Jubail and Yanbu (RCJY) and Sadara, and is positioned for the development of new value added downstream manufacturing and business opportunities.

“One of our objectives at Sadara is to encourage and drive collaboration with local industries with the aim of developing the downstream chemical business. This BTG supply agreement is yet another milestone achievement between Sadara and Juffali. The Juffali BTG project will produce auto brake fluids to meet the local and regional demand, and can reduce or even eliminate the import of these products and enhance the value derived from chemical production in the local economy. The products from the MDI and the BTG plants are well positioned to serve the evolving auto manufacturing industry in the Kingdom. Additionally, the brake fluid production from the BTG plant will cater to the auto industry’s after-market needs in Saudi Arabia and the rest of the MENA region,” said Mohammad Alazzaz, Director of Value Park at Sadara.



“PlasChem Park will be a differentiated industrial platform to serve the Kingdom’s downstream manufacturing sector in key value chains based on Sadara’s state of the art technologies. Our products, many of which will be introduced to the region for the first time, will enable important applications in a number of key industries, support the local economies and reduce the need to rely on imports for essential products,” concluded Alazzaz

The Juffali BTG project will encompass several specialty chemical products and includes production of about 5,000 tons / year of different grades of premium brake fluids. It will be the first brake fluid production unit in the Middle East and North Africa and will supply the Middle East’s growing demand for these products, replacing imports. This Project is almost totally dependent on raw material from Sadara and its location is most advantageous. Juffali will license state of the art technology, process design and engineering advisory to complete its project, and the resulting brake fluid products will serve OEM, related accounts, aftermarket and commercial transportation customers.

E. A. Juffali & Brothers is a diversified Saudi based company established in 1946. Its interests span a number of markets including Electrical Contracting, Information Technology, Engineering, Automotive, Chemicals, Construction, Equipment, Services and Domestic Appliances. The new BTG and MDI facilities together aim to address the Kingdom’s safety issues through the production of safety products for the auto industry, further enhance the local production of Auto parts in the Kingdom, and encourage the growth of the Kingdom’s downstream Industries.

PlasChem Park is expected to attract diversified investments for downstream applications such as oil and gas chemicals, construction materials, paints and coatings, as well as home and personal care products. These investments will create new jobs for Saudi nationals as well as contribute to the fulfillment of the Government’s vision to diversify the Kingdom’s economy.

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About Sadara:

Sadara is a joint venture developed by the Saudi Arabian Oil Company (Saudi Aramco) and The Dow Chemical Company. With a total investment of about \$20 billion, Sadara is building a world scale chemical complex in Jubail Industrial City II in Saudi Arabia’s Eastern Province. Comprised of 26 world scale manufacturing units, the Sadara complex is the world’s largest to be built in a single phase and will be the first 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

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jobs. Sadara is on track to deliver its first products in the second half of 2015, with the complex in full operation in 2016.

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