



Sadara and Sipchem Cooperate to Produce & Purify Ethanol to Support the Kingdom's Efforts Against COVID-19

JUBAIL, Saudi Arabia, June 16, 2020 -- In line with their social responsibility toward the Kingdom of Saudi Arabia, Sadara Chemical Company (Sadara) and Sahara International Petrochemical Company (Sipchem) have partnered to supply high-quality ethanol required for the manufacturing of hand sanitizers. The ethanol has been provided to local manufacturers free of charge to enable them to produce much-needed hand sanitizers, which in turn were donated to the Ministry of Health for distribution to the healthcare industry throughout the Kingdom of Saudi Arabia to combat the spread of the COVID-19 pandemic.

Dr. Faisal Al-Faqeer, CEO of Sadara, and Eng. Saleh Bahamdan, CEO of Sipchem, praised the efforts of all teams involved in the project and in the government's efforts to mitigate the effects of COVID-19. They emphasized that the government has shown wisdom in its efforts to minimize the impact on the Kingdom, its citizens and residents, and they highlighted the fact that as local Saudi companies it is the duty of Sadara and Sipchem and others to contribute to such efforts. This collaboration shows the importance of localizing the industry, which has resulted in a fast response to the Kingdom's demand for this key raw material.

Due to the sudden shortage of ethanol/isopropanol products in the Kingdom and throughout the world as the global industrial community works to provide much-needed personal protective equipment and cleaning agents to the healthcare industry, and in response to a call by the Ministry of Energy, Sipchem extracted industrial-grade ethanol from its production lines and supplied it to Sadara, which in turn leveraged its high technical capability to purify the ethanol in a temporarily repurposed distillation tower at the Sadara Chemical Complex in Jubail to comply with the Saudi Drug and Food Authorization (SDFA) requirements. The purification process has the capability to produce around 1,600 kilograms (KG) per week of high-quality ethanol ready for use in hand sanitizer manufacturing. A total of 100,000 KG of high-purity ethanol will be produced to fulfill the local demand.

Additionally, both companies last month announced respective contributions of SR 5 million by Sadara and SR 2 million by Sipchem to the Kingdom's Health Endowment Fund, to support ongoing efforts to minimize the spread of COVID-19 and to aid the healthcare sector in securing the necessary tools to care for patients.

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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. 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 and natural gasoline, 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.

www.sadara.com

About Sipchem:

Sahara International Petrochemical Company (Sipchem), listed on the Saudi Stock Exchange (Tadawul), is a world-class integrated petrochemical leader with a comprehensive and diversified portfolio of more than 30 chemical and polymer products distributed to millions of consumers in over 100 countries around the world. The Company was established in 1999 and expanded further in 2019 as a result of the first-ever petrochemical merger of equals of two leading publicly listed entities in Saudi Arabia, the Saudi International Petrochemical Company and Sahara Petrochemicals Company. With 16 subsidiaries and more than 29 local and international partnerships, Sipchem embraces the integration of current and new innovative solutions and procedures to create a persistent chain of value to support the needs of its customers. Sipchem follows the highest standards of safety and environmental protection in all its operations and pays great attention to social responsibility. The company is driven by Saudi Arabia's Vision 2030 to build national champions with strong local and international reach in a sector that has been identified as a priority for the future economy of Saudi Arabia.

www.sipchem.com

For further information, please contact:

Sami Amin
Director – Corporate Communications
Sadara Chemical Company
T: +966-13-351-7293
E: Sami.Amin@Sadara.com
W: www.sadara.com