



PRESS RELEASE

Sadara, the world's largest chemicals complex built in a single phase, commemorates commissioning of all 26 plants

Commissioning of its last plant, the region's first isocyanates facility, marks milestone achievement for the massive chemicals complex

Jubail, Saudi Arabia, 14 August, 2017 – Sadara Chemical Company (Sadara), a joint venture between Saudi Aramco and The Dow Chemical Company, today celebrates the commissioning of the last of its 26 plants – an isocyanates section currently producing crude quantities of toluene di isocyanate (TDI) and other specialty chemicals.

The landmark commissioning milestone was celebrated in the presence of Saudi Arabia's Minister of Energy, Industry and Mineral Resources and Saudi Aramco Chairman, His Excellency Khalid A. Al-Falih; Dow Chairman and CEO Andrew Liveris; and Ahmad Saadi, Chairman of Sadara and Saudi Aramco Senior Vice President of Technical Services at the Sadara complex in Jubail Industrial City II.

A first for the Gulf region, the TDI section is mainly used in the production of flexible polyurethane foam for furniture, mattresses, cushioning and car seats. TDI also has a variety of industrial uses, such as coatings, adhesives, sealants, specialty foams and other products.

The TDI section consists of three integrated units producing di nitro toluene (DNT), toluene di amine (TDA), and toluene di isocyanate (TDI). The DNT and TDA units started operations in April, and the TDI unit began crude production this week.

The isocyanates envelope also includes an unprecedented integrated facility producing PMDI or polymeric methylene di phenyl di isocyanate. The PMDI Plant began producing commercial quantities in early June.

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Additionally, Sadara is producing another important polyurethane precursor – polyether polyols. The company's Polyols Plant came on-stream in late July.

The world's largest integrated chemicals complex ever built in a single phase, and established by the largest foreign direct investment in the Saudi petrochemicals industry, Sadara has been bringing its chemical plants on-stream in a carefully planned sequence and will produce more than three million tons of high-value performance plastics and specialty chemical products annually. Sadara's mixed feed cracker, the heart of Sadara's operations, started up in August 2016, cracking ethane gas and naphtha liquid feedstock to produce chemicals for the site's other facilities. Sadara's four polyethylene production units came on-line between late 2015 and early 2017.

Thirty-two polyethylene products have been qualified to-date, serving more than 600 customers in 70 countries. An additional four new polyethylene products will be added to Sadara's capabilities by year-end.

Sadara's specialty chemicals portfolio includes facilities that manufacture propylene oxide, propylene glycol, ethylene oxide, glycol ethers, amines, isocyanates and polyether polyols.

Al-Falih said, "Sadara's commissioning positions the company to fully deliver its promise as a major catalyst for Saudi Arabia's economic future – a promise that will be felt in human terms.

"Sadara's slate of high-value chemicals, including many firsts for the Kingdom and the region, will create the quality performance, value-added and plastics products that support a higher living standard around the world, especially in the emerging Asia Pacific and Middle Eastern markets that will drive two-thirds of global petrochemical demand over the next decade.

"In addition to transforming the Kingdom from a consumer and importer to a global exporter, Sadara will create new value chains and technologies that will attract foreign and domestic investment, spurring new sectors and entrepreneurial business, and creating thousands of manufacturing jobs for Saudis. In this way, Sadara is perfectly aligned with the Kingdom's national transformation goals as expressed in Vision 2030. By driving non-oil sector growth, innovation and better-life opportunities, Sadara will deliver progress and prosperity now, and for generations to come."

Liveris said, "Today marks a pivotal moment for this game-changing joint venture – for Dow, our partners at Saudi Aramco and for the Kingdom of Saudi Arabia – delivering market-driven solutions that have never

before been manufactured in the Kingdom and supporting the diversification of its economy in line with Vision 2030. Dow has been a strategic partner in Saudi Arabia for more than four decades and is the Kingdom's largest foreign investor. Commissioning of Sadara's final plant marks a pivotal moment in the history of this landmark public and private partnership that advances Dow's growth strategy and will help transform the Kingdom's rich resources into solutions for the world through a thriving manufacturing sector."

Saudi Aramco President and CEO Amin H. Nasser called Sadara a major milestone in Saudi Aramco's strategic intent to become the world's foremost integrated energy and chemicals company.

"Sadara is a flagship chemicals project that significantly advances our ability to derive the maximum value from every hydrocarbon molecule, and to participate more broadly across the petroleum value chain," Nasser said.

"The closer integration of Saudi Aramco's refining networks with chemical production brings greater resilience and robustness to our portfolio. Using raw materials provided by SABIC, SATORP and Sadara itself, the complex will transform raw materials and feedstocks into high-value products – a position of strength that drives business growth. Our strategy to make chemicals a top-tier global business will have a multiplier effect on jobs, industries and technologies, especially through industrial parks as a base for conversion industries making plastics and plastic products from petrochemicals. As a creator of entirely new products and industries, Sadara is a transformational company that will benefit all stakeholders."

Sadara Chairman Ahmad Saadi said: "Sadara has come a long way from the shareholder agreement signing six years ago, to the official inauguration in November. Yet the commissioning of all our plants is not the finish-line, but Sadara's start in meeting rising demand for high-quality chemicals, plastics and performance products, especially in emerging markets, and stimulating Saudi Arabia's industrial growth across the automotive, construction, manufacturing, pharmaceuticals and consumer goods sectors."

The Sadara Chairman added: "The future will be demanding, but our determination and commitment are more than equal to the task. Knowing Sadara's 'can do' attitude, I'm confident that we will exceed the expectations that our shareholders have set for us."

Strategically located to benefit from competitive feedstocks, Sadara will serve the needs of Dow customers across the Asia Pacific, India, the Middle East, Africa and Central and Eastern Europe.

To date, Sadara has more than 4,100 employees, the majority of whom are Saudis. Almost 2,000 of these employees have completed intensive, technology-centric, on-the-job training (OJT) programs at various Saudi Aramco and Dow sites in Saudi Arabia and around the world for advanced chemicals production technologies knowledge. The Sadara OJT program is one of the largest and most sophisticated technological training programs ever undertaken by any company in Saudi Arabia.

In addition, the PlasChem Park, a world-class industrial park for chemical and conversion industries created by a collaboration between Sadara and the Royal Commission for Jubail and Yanbu, is expected to attract quality investments valued at 20 billion Saudi Riyals, and to create thousands of direct and indirect jobs.

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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. Comprising 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 jobs.

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