

Sadara and Harcros-ARA Sign Supply Agreement for PlasChem Park Facility

JUBAIL, Saudi Arabia, May 22nd, 2018 – Sadara Chemical Company (Sadara) has signed a supply agreement with Harcros-ARA, a new venture being established by Harcros Chemicals Inc. (Harcros), an international manufacturer and distributor of industrial and specialty chemicals, and ARA Specialty Industrial Company (ARA), a chemical manufacturer based in Riyadh.

Under terms of the agreement, the venture plans to establish a chemical facility in PlasChem Park, a collaborative industrial park between Sadara and the Royal Commission for Jubail and Yanbu (RCJY) in Jubail Industrial City II, and will offtake Ethylene Oxide (EO) and Propylene Oxide (PO) from Sadara to fuel the production of various specialty chemicals.

The proposed Harcros-ARA facility will produce specialty chemicals used in a variety of applications from construction materials, paint and coating additives, to metal treatment and mining, water treatment and enhanced oil recovery. Methyldiethanolamine (MDEA) will also be produced for oil and gas applications.

Sadara CEO Dr. Faisal Al-Faqeer said: “These products, which will be manufactured and introduced for the first time in the region, will serve local, regional and export markets, in line with Vision 2030, and Sadara’s role as a key contributor in driving development of the downstream manufacturing industry in the Kingdom. This project will create jobs – both directly and indirectly – and will introduce new technologies to the local market.”

He added: “We are very excited about the interest our diversified chemicals product slate is getting from partners such as Harcros-ARA, and we look forward to seeing these plans come to fruition.”

Harcros CEO Kevin Mirner said: “This supply agreement with Sadara further strengthens Harcros’ position in the global manufacturing arena, and reinforces Harcros’ commitment to continued growth. Additionally, this agreement and our rapidly expanding international presence provide Harcros and ARA the ability to deliver specialty surfactants to a multitude of industrial and specialty markets in and around the Kingdom.”

ARA Managing Director Eng. Aziz Alenazi said: “This is an exciting time for the ARA team as we inaugurate our partnership with Harcros. Together, we will add great value to the specialty chemicals industry in the Kingdom. This venture will be the first of its kind in Saudi Arabia and will contribute greatly to filling an interesting block in the value chain by producing more sophisticated specialty petrochemical products and localizing advanced technologies needed across various industries. This will result in reducing major imports and raising local content, ultimately contributing to Saudization and the building of local capabilities.”

He added: “As we embark on this journey, Sadara will be a key success factor, bringing its wide range of specialty chemicals to the local market for the first time. This multi-faceted partnership will benefit the industry and further help in maturing the specialty chemicals industry in the Kingdom.”

PlasChem Park is a 12 km² industrial park in Jubail Industrial City II, dedicated to downstream chemical and conversion industries. PlasChem Park is a key element differentiating Sadara from other petrochemical,



chemical and plastics manufacturing projects in Saudi Arabia. It is uniquely positioned to enable and support downstream opportunities in many market segments, including the Hydrocarbon Resin Cluster, Ethylene Oxide/Propylene Oxide (EO/PO) Cluster, Polyurethane Cluster and a Plastics Cluster. These clusters are designed to attract diversified investments into PlasChem Park for downstream applications such as the production of oil and gas chemicals, construction materials, auto components, animal feed, paints and coatings, as well as home and personal care products.

There are currently two downstream investments operating in Jubail Industrial City II and several existing investors in the PlasChem Park will conclude their planned project engineering activities in the first half of 2018 with ground-breaking activities set to take place in the second half of the year.

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About Harcros Chemicals Inc.

Harcros Chemicals Inc., headquartered in Kansas City, Kansas USA, is a full-line chemical distribution and manufacturing company with facilities across the US, India and China. Primarily focused on specialty alkoxylation and chemical distribution, Harcros services the agricultural, household industrial and institutional, oil and gas, paint and coatings, and enhanced oil recovery markets (EOR).

About ARA Specialty Industrial Company:

ARA Specialty Industrial Company (ARA) was established in 2016 to develop, fund and run first time business opportunities in the kingdom with the support of local and international partners in the field of petrochemical manufacturing and business management. ARA is focusing on opportunities serving KSA 2030 vision, with strong Saudi in-house expertise in the field of Petroleum, Oleo-chemicals, specialty chemicals, specialty polymers.

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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