



Sadara Signs a 20-year Supply Agreement with a Halliburton-TAQA JV

Jubail, 03 May, 2015: Sadara Chemical Company (Sadara) and Energy Chemical Sources Company (ECSC), a newly formed joint venture between Halliburton and TAQA, have signed a long-term supply agreement through which ECSC will purchase product from Sadara to feed a new chemical production facility to be built in PlasChem Park located in Jubail Industrial City II. PlasChem Park is a 12 km² industrial park adjacent to Sadara and is being developed under the collaborative efforts between Sadara and the Royal Commission for Jubail and Yanbu (RCJY).

Under the agreement, Sadara will supply Ethylene Oxide (EO) and Propylene Oxide (PO) to the new ECSC facility in PlasChem Park over a period of 20 years. ECSC is a local Saudi company that specializes in providing oilfield chemicals for the oil and gas industry.

Commenting on the agreement, Ziad Al-Labban, Sadara's Chief Executive Officer, said, "This strategic, long-term supply agreement with ECSC is a key step forward in the development of the local oil and gas chemicals market. Capitalizing on TAQA and Halliburton's combined knowledge and experience, and utilizing the chemicals that Sadara will be producing, we will together support the Kingdom's oil and gas industry through the manufacturing of essential oil and gas chemicals locally."

"PlasChem Park is uniquely positioned to enable and support downstream opportunities in many market segments. Specifically, we will enable many industries that rely on EO and PO, supplying 60,000 tons of EO and 20,000 tons of PO per year via pipeline to the PlasChem Park tenants, and we look forward to welcoming ECSC as the first tenant and the second in Jubail 2 after the Dow Reverse Osmosis Membrane project. PlasChem Park investors will benefit from the many shared services that are being developed in PlasChem Park, simplifying and streamlining their operations in the long run," said Mohammad Alazzaz, Director of Value Park, Sadara.



Mohammed Y. Rafie, Chairman of TAQA and ECSC said “We are delighted to have completed this agreement with Sadara and we have every confidence that this strategic relationship will fulfill our ambitious plan to create a world class chemical production facility in Jubail to support Saudi Aramco Exploration & Production activities and customers in the wider region”.

Keith Barnard, a board member of ECSC and vice president of Multi-Chem, a Halliburton service, said “This agreement marks the beginning of a long-term relationship with Sadara. We are confident they will provide a safe supply of raw material ingredients to support the manufacturing base we are establishing to serve Saudi Aramco and other valuable customers in the region. It also reaffirms our commitment to invest in the Kingdom and support the burgeoning oil and gas industry there.”

The PlasChem Park is expected to attract diversified investments for downstream applications such as the production of 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 in the Kingdom’s downstream industry, as well as contributing 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 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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