

Board Directors of Saudi Aramco and Dow Jointly Visit Sadara Chemical Company

- *Mega plastics and chemicals complex in Jubail achieves 98 percent completion*
- *World's largest ever built in a single phase, to be fully operational in 2017*
- *Complex will further stimulate Kingdom's economic growth, and create investment and job opportunities*

17 February, 2016 – Jubail, Saudi Arabia: Four years after they gave the green light to develop the Sadara joint venture, the boards of directors of Saudi Aramco and The Dow Chemical Company (Dow) visited Sadara Chemical Company's (Sadara) industrial complex, to witness how this mega project has developed and commemorate the first product produced at the site.

The visit was headed by the Saudi Aramco Chairman, His Excellency Khalid Al-Falih, and Dow Chairman and CEO, Andrew N. Liveris. The board members took a first-hand look at the world-class facilities and noted the significant progress being made in the execution of the world's largest plastics and chemicals complex ever built in a single phase. The complex, involving a total investment of \$20 billion, is located in Jubail Industrial City II, in Saudi Arabia's Eastern Province.

While overall construction of the six square-kilometer mega-complex stands at 98 percent complete, Sadara successfully launched its first manufacturing unit – Solution Polyethylene – in December 2015. This represents the first Solution Polyethylene plant in the Middle East. A phased commissioning and start-up of the rest of the facilities is continuing, and the complex is expected to achieve full operations by 2017.

During the visit, Al-Falih said: "Sadara represents a bold undertaking for both Saudi Aramco and for Dow. For us at Saudi Aramco, it is a major driver in achieving our goals of greater integration and value addition. Sadara represents the concrete realization of our distinct yet complementary corporate visions - it is one way in which Saudi Aramco is helping to deliver on its abiding commitment to the Kingdom."

Liveris added, “Thanks to Dow and Saudi Aramco’s partnership, our shared vision for Sadara is fast becoming a reality: an unprecedented achievement of historic size and scale. Sadara is much more than a value-add powerhouse... and a vital hub of advanced manufacturing. It also represents a paradigm shift – for the Kingdom, for this region, and for the emerging world... where 90 percent of Sadara’s products will be sold. By combining globally competitive feedstocks with cutting-edge innovation, Sadara will generate billions of dollars in revenues and create thousands of jobs.”

Ziad Al-Labban, CEO of Sadara, commented on the occasion, saying: “Sadara is the manifestation of a game-changing and meticulously planned dream that started back in 2007. Through leveraging Saudi Aramco’s vast hydrocarbon resources, mega-project expertise, and infrastructure, and Dow’s market-leading state-of-the-art technologies and global network, we are confident that the differentiated products Sadara will produce will create new value chains to support the growth of our customers, and accelerate the development of Saudi Arabia’s downstream manufacturing industry.”

During the visit, the group was updated on progress of the adjacent PlasChem Park, which is a collaborative effort between Sadara and the Royal Commission for Jubail and Yanbu. Located next to Sadara’s chemical complex, PlasChem Park offers the advantages of easy access to Sadara’s highly differentiated chemical products and the strong industrial and regulatory infrastructure in Jubail. Through PlasChem Park, investors can easily utilize Sadara’s products as feedstock for further conversion to finished products. It is poised to create unprecedented conversion industry investment, innovation, growth and development opportunities, as well as thousands of sustainable jobs, making a positive and lasting impact on the Saudi economy.

A number of supply agreements between Sadara and prospective PlasChem tenants have been previously announced:

- Supply agreements for Ethylene Oxide and Propylene Oxide with Energy Chemical Sources Company, a joint venture between Halliburton and TAQA, to produce chemicals for the oil & gas industry.



- Two supply agreements with E.A. Juffali & Brothers – one for methylene diphenyl diisocyanate (MDI), to be used in polyurethane system house applications, and the other for butyl tri-glycol ether (BTG), for the production of brake fluids.

To date, Sadara has more than 4,300 employees and more than 60 percent of them are Saudis. Almost 2,000 of these employees have completed or are now completing intensive, technology-centric, on-the-job training (OJT) programs at various Saudi Aramco and Dow sites, in Saudi Arabia and around the world. The training is designed to equip them with knowledge of the advanced chemicals production technologies used at the Sadara chemical complex, and the skills necessary to perform their respective roles. The Sadara OJT program is one of the largest and most sophisticated technological training programs ever undertaken by any company in Saudi Arabia.

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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.

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