

## **Sadara Chemical Company and Saudi/Korean JV Sign Supply Agreement for New PlasChem Park Venture**

**Jubail, Kingdom of Saudi Arabia – 26 May, 2016:** Sadara Chemical Company (Sadara) has entered into a supply agreement with Surfactants' Detergent Company (SDC), a joint venture being developed by a Saudi/South Korean consortium which plans to build a chemical production facility in PlasChem Park, located in Jubail Industrial City II. The Saudi/South Korean consortium is comprised of SFC Ltd, a Korean technology provider, and Saudi partners Ahmad K. Al-Amoudi Ltd (AKA) and Maydan Industry for Industrial Developments & Investment Ltd (Maydan Industry).

Under the agreement, Sadara will supply Ethylene Oxide (EO) and Propylene Oxide (PO) to SDC via pipeline. SDC will specialize in supplying the domestic market's demand for detergents.

Commenting on the agreement, Sadara's Value Park Director Mohammad Alazzaz said, "We welcome the interest of Korean SME's to participate in our specialty chemicals market which is growing rapidly in line with the move to diversify the Kingdom's economy. This consortium between a Korean Specialty company as technology provider and local Saudi Investors and entrepreneurs is a great model of collaboration, combining local talent pools and knowledge with international experience and expertise. SFC's interest in entering the Saudi market highlights the global interest we have received for the many opportunities PlasChem Park has to offer."

"Infrastructure development on site at PlasChem Park is nearly complete, with power and utilities tie-ins being finalized in each of the divided lots. PlasChem Park is uniquely positioned to enable and support downstream opportunities in many market segments such as those industries that rely on EO and PO, and we look forward to welcoming SDC to the EO/PO Cluster. PlasChem Park investors will also benefit from the many additional shared services that are being developed, reducing their capital footprint as well as simplifying and streamlining their operations in the long run," said Alazzaz.

Chief Executive Officer of SFC Hong Jungku said, "This joint venture is an excellent opportunity for us in the SFC and for our Saudi partners. We are creating a surfactants plant which is very advanced technologically and has very good cost efficiency. The joint venture leverages the unique strengths of SFC and our Saudi partners to create substantial value for our stakeholders."

In welcoming the deal, Managing Director of Maydan Industry and Chairman of SDC, Eng. Khalid Alluhaidan said, "The positive impact of the Saudi government's vision in diversifying the Kingdom's economy has helped create this alliance with SDC and enabled this deal with Sadara to come to fruition."

“We greatly appreciate the dedicated support by our colleagues in Sadara and we would also like to extend our thanks and appreciation to the Royal Commission for Jubail & Yanbu for their support in developing PlasChem Park.”

PlasChem Park is attracting 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 unprecedented downstream manufacturing opportunities, new jobs for Saudi nationals, 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.*

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