

August 31, 2017

Sumitomo Chemical Licenses PO Production Technology for Petrochemical Project of Thailand's Largest Petrochemical and Refining Company

Sumitomo Chemical has reached an agreement with PTT Global Chemical Public Company Limited (PTTGC) of Thailand that Sumitomo Chemical will license its technology of manufacturing propylene oxide (PO) in connection with the petrochemical project which PTTGC is implementing.

PTTGC is the largest petrochemical and refining company in Thailand, operating a petrochemical complex with an annual production capacity of 2,988,000 tons of olefins, 1.5 million tons of polyethylene, and 117,000 tons of diisocyanates (HDI and HDI derivatives), as well as a refinery complex capable of processing 280,000 barrels a day of crude oil. With the aim of establishing an integrated polyurethane business chain, PTTGC is pursuing a project to construct new plants for PO and polyols through its subsidiaries. For PO production, a decision has been made to adopt Sumitomo Chemical's proprietary technology. The new PO plant will have an annual production capacity of 200,000 tons, with target completion in the second quarter of 2020.

Sumitomo Chemical's PO production technology is based on a PO-only process in which, with cumene recycling, PO alone is manufactured without accompanying by-products. Sumitomo Chemical was the first in the world to commercialize this cumene method. The technology, combined with the use of the Company's proprietary high-performance epoxidation catalyst, offers the distinct advantages of a high PO yield and superior stability in plant operation. The technology has a proven track record of successful operations at Sumitomo Chemical's Chiba Works in Japan and Petro Rabigh in Saudi Arabia. In 2015, the Company licensed the technology to S-OIL Corp. of South Korea, based on which S-OIL is due to complete a 300,000 tons per annum plant in the first half of 2018.

Sumitomo Chemical intends to globally deploy, via licensing to others, an array of its versatile technologies cultivated over the years, hoping thereby to contribute to the further development of the world's petrochemical industry as the Company continues to strengthen business competitiveness through enhancing its technology portfolio, including development of innovative technologies.

About PTT Global Chemical Public Company Limited

Establishment: October 2011 (through the merger of PTT Chemical Public Company Limited and PTT Aromatics and Refining Public Company Limited)

Head Office: Bangkok, Thailand

President/CEO: Supattanapong Punmeechaow

Main Shareholder: PTT Public Company Limited (48.9% share)