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Rabigh Phase II Project by Sumitomo Chemical and Saudi Aramco

Rabigh Refining and Petrochemical Company (Petro Rabigh), jointly founded by Sumitomo Chemical Company (Sumitomo Chemical) and The Saudi Arabian Oil Company (Saudi Aramco), is operating an integrated refinery and petrochemicals complex (the Rabigh I Project) in Rabigh, Saudi Arabia. In parallel, Sumitomo Chemical and Saudi Aramco have been working closely to undertake a joint feasibility study for the Rabigh Phase II Project (“Rabigh II Project”). Today Sumitomo Chemical announced that, based on the outcome of the feasibility study, it has confirmed the feasibility of the Rabigh II Project and decided to move ahead by finalizing various project elements, such as agreements for engineering, procurement and construction (EPC) and other project contracts, as well as project financing.

The Rabigh II Project, by expanding the ethane cracker and building a new aromatics complex, will use additional 30 million standard cubic feet per day of ethane and approximately 3 million tons per year of naphtha as feedstock to produce a variety of high value-added petrochemical products. Each plant will be brought on stream as it becomes available for operation, beginning the first half of 2016. It is envisaged that, subject to the necessary corporate authorization procedure at PetroRabigh in due course of time, Petro Rabigh will serve as the project company for the Rabigh II Project. The total investment is currently projected to reach approximately \$7 billion.

The Rabigh II Project’s main products will be ethylene propylene rubber (EPDM), thermoplastic polyolefin (TPO), methyl methacrylate (MMA) monomer, polymethyl methacrylate (PMMA), low density polyethylene/ethylene vinyl acetate (LDPE/EVA), para-xylene/benzene, cumene and phenol/acetone. With respect to acrylic acid, superabsorbent polymer (SAP), caprolactam, nylon-6 and polyols, Sumitomo Chemical and Saudi Aramco will continue to explore the best possible mode of operation to implement projects on those product lines, including possible collaboration with a third party.