



PRESS RELEASE

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BASF PETRONAS Chemicals marks mechanical completion of the new citral plant

Gebeng, Kuantan, Malaysia and Ludwigshafen, Germany – September 7, 2016 - BASF PETRONAS Chemicals has achieved mechanical completion of the citral and citronellol facilities and associated infrastructure at its integrated chemical site in Kuantan, Malaysia.

The newly completed facilities will produce citral, a key intermediate for aroma ingredients, as well as citronellol to meet the growing demand for citral-based products in the flavor and fragrance industry. "With the second world-scale production facility coming on stream, we will be closer to our customers in the flavor and fragrance industry in Asia Pacific," said Saori Dubourg, President of BASF's Nutrition & Health division. BASF's customers will benefit from better product availability and a high level of supply reliability. "After the successful start-up of the new facilities, we will fill our global supply chain beginning with citral and its precursors in a phased approach," continued Saori Dubourg.

The downstream L-menthol unit, which is part of the new integrated aroma ingredients complex, will come on-stream in 2017. Part of the construction milestones included the smooth delivery of the main tower to the site. Key moments can be seen in this video: <https://www.youtube.com/watch?v=RNB9iJZppOw>

BASF PETRONAS Chemicals has established a strong safety culture at the site. The project achieved more than nine million work hours without any lost-time incident. "It's an outstanding achievement to maintain safety as the top priority of the construction while keeping the project progress well on track," said Stefan Beckmann, Managing Director, BASF PETRONAS Chemicals.

The new integrated aroma ingredients complex is being built within the existing BASF PETRONAS Chemicals site, a Malaysia-based joint venture between BASF and PETRONAS Chemicals Group (PCG).

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About BASF PETRONAS Chemicals Sdn Bhd

BASF PETRONAS Chemicals is a Malaysia-based joint venture between BASF and Petroliaam Nasional Berhad (PETRONAS), Malaysia's fully integrated oil and gas multinational, under its subsidiary PETRONAS Chemicals Group Berhad (PCG). Incorporated in 1997, the company operates an integrated complex situated at the Gebeng Industrial Zone, Pahang. The company's share capital is 60% held by BASF and 40% by PCG with a total investment of about RM3.4 billion (US\$900 million) in production facilities for acrylic monomers, oxo products and butanediol. Chemicals produced by BASF PETRONAS Chemicals meet growing demand in various industries including plastics, adhesives, lacquers, dyestuff, automobile and industrial coatings, paper, diapers, water treatment, textile and leather. New production plants for 2-Ethylhexanoic Acid and highly reactive polyisobutene (HR-PIB) are projected to come on-stream in 2016 and 2017, respectively. For more information, visit our website www.basf-petronas.com.my

About the BASF Nutrition & Health division

BASF Nutrition & Health provides a comprehensive product and service portfolio for the human and animal nutrition, pharmaceutical and flavor & fragrance industries. With innovative solutions and modern technologies, we help our customers improve their business efficiency and the sustainability of their products. Our human nutrition solutions include vitamins and carotenoids, plant sterols, emulsifiers and omega-3 fatty acids. Vitamins and carotenoids also form an important part of our animal nutrition portfolio, as do other feed additives such as trace elements, enzymes and organic acids. We provide the pharmaceutical industry with a broad range of excipients and selected large-volume active pharmaceutical ingredients such as ibuprofen and omega-3 fatty acids. Furthermore, we offer aroma ingredients such as citral, geraniol and L-menthol. BASF Nutrition & Health operates sites in Europe, North America, South America and in Asia-Pacific. For more information, go to www.basf.com.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 112,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of more than €70 billion in 2015. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information at www.basf.com.

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About PETRONAS Chemicals Group Berhad

PETRONAS Chemicals Group Berhad (PCG) is the leading integrated chemicals producer in Malaysia and one of the largest in South East Asia. It operates a number of world class production sites, which are fully vertically integrated from feedstock to downstream end-products. With a total combined production capacity of over 10 million metric tons per annum (mtpa), it is involved primarily in manufacturing, marketing and selling a diversified range of chemical products, including olefins, polymers, fertilisers, methanol and other basic chemicals and derivative products. Listed on Bursa Malaysia and with over three decades of experience in the chemicals industry, PCG is established as part of the PETRONAS Group to maximise value from Malaysia's natural gas resources.

PCG is one of the top 10 companies as ranked by market capitalisation listed in the FTSE4Good Bursa Malaysia (F4GBM) Index. It is committed to ensuring that its business practices are in line with globally recognised standards for Environment, Social & Governance (ESG) practices. Further details on PCG can be found at www.petronaschemicals.com.my

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