



PRESS RELEASE

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BASF and PETRONAS break ground on highly reactive polyisobutene (HR-PIB) production plant in Gebeng, Kuantan, Malaysia

Gebeng, Kuantan, Malaysia – March 17, 2016 – Deputy Minister of the Malaysian Ministry of International Trade and Industry, Dato' Lee Chee Leong, officiated the ground-breaking ceremony for the highly reactive polyisobutene (HR-PIB) production plant at the BASF PETRONAS Chemicals Sdn Bhd integrated site in Gebeng, Kuantan, Malaysia today.

The plant, which is the latest investment by the BASF and PETRONAS Chemicals Group Berhad's joint venture, will be the first of its kind in South East Asia, with a total annual capacity of 50,000 metric tons of HR-PIB. The plant is expected to start production in the fourth quarter of 2017.

HR-PIB is an important intermediate product for the manufacturing of high performance fuel and lubricant additives.

Located within one of BASF's two *Verbund* (integrated) sites in Asia Pacific, the new HR-PIB plant is a synergistic opportunity for backward integration that allows for greater sustainable use of raw materials, energy and technology know-how. This underpins the *Verbund* philosophy in ensuring high delivery reliability and maximising efficient use of energy and feedstock.

In addition to this new plant, BASF also operates production facilities for HR-PIB at its *Verbund* sites in Ludwigshafen, Germany and Antwerp, Belgium, and within a joint venture with Sinopec YPC in Nanjing, China.

About BASF PETRONAS Chemicals Sdn Bhd

BASF PETRONAS Chemicals is a Malaysia-based joint venture between BASF SE 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 SE 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. The company is also currently building a RM1.5 billion Integrated Aroma Ingredients facility to manufacture citral, citronellol and L-menthol. The range of chemicals produced by BASF PETRONAS Chemicals currently meet the growing demand in various industries including fabric, plastics, adhesives, lacquers, dyestuff, automobile and industrial coatings, paper, diapers, water treatment, textile and leather.

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This portfolio will expand with the commissioning of the Integrated Aroma Ingredients complex in late 2016. More information is available on our website www.basf-petronas.com.my

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.

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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