

BASF PETRONAS Chemicals inaugurates new 2-ethylhexanoic acid plant in Kuantan, Malaysia

- **Production capacity doubled to 60,000 metric tons per annum from third quarter 2024**
- **Supports growing market demand**
- **Customers honor long-standing partnerships and cooperative efforts**

Kuantan, Malaysia – October 25, 2024 – BASF PETRONAS Chemicals (BPC) celebrates the inauguration of its second 2-ethylhexanoic acid (2-EHAcid) production line at the integrated site in Kuantan, Malaysia. This expansion directly responds to the rapidly growing demand for high-quality 2-EHAcid, reaffirming BPC’s commitment to serving its valued regional customers.

“This expansion is a significant step in our commitment to profitable growth and value creation. As part of our new strategy, we are dedicated to enhancing the footprint of our core businesses in high-growth Asian markets, ensuring that we meet the increasing needs of our customers with high-quality products,” said Stephan Kothrade, member of the Board of Executive Directors and Chief Technology Officer of BASF SE.

“This expansion enables us to better meet the rapidly growing demand for high-quality 2-ethylhexanoic acid in the Asia Pacific region. By enhancing our capacity, we strengthen our responsiveness to customer needs and solidify our position as a leading supplier in the market. We are committed to our vision to be the preferred partner for sustainable intermediates,” said Michael Becker, Senior Vice President, Intermediates Asia Pacific, BASF.

“This successful expansion signifies the ongoing strength of our partnership and shared commitment to growth and collaboration. We are excited about the future of this plant, as the increased capacity strategically positions BPC to capitalise on growth opportunities in the region. With demand for our product continuing to rise, we are well-equipped to meet it efficiently and effectively, ensuring our customers receive top-quality products promptly,” said Mazuin Ismail, Managing Director/ Chief Executive Officer, PETRONAS Chemicals Group Berhad and Chairman of BPC.

“I want to express my appreciation for the strong partnership with our parent companies, PETRONAS and BASF. Their support has been invaluable in executing this project successfully. I also commend the project team for their excellent work, which has been instrumental in achieving this important capacity enhancement,” added Tan Aik Meam, Managing Director, BPC.

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This significant occasion also highlights the organization's ongoing dedication to customer centricity, as customers joined in celebrating the inauguration of the expansion at the Kuantan Verbund site.

Since its establishment in 2016, the 2-EHAcid plant has played an important role in supporting growth in Southeast Asia region. The groundbreaking for a second production line took place in Q1 2023. As of Q3 2024, the new production line is fully operational, doubling the annual production capacity to 60,000 metric tons, further reinforcing BPC's dedication to driving innovation and meeting the evolving needs of customers worldwide.

Note: 2-EHAcid is a chemical intermediate used as a compound in the production of synthetic lubricants as well as oil additives. It is also used in functional fluids like automotive coolants, metal salts for paint dryers, plasticizers, stabilizers, catalysts and other applications in various industries. In addition to the production site in Kuantan, Malaysia, BASF also produces 2-EHAcid at its Verbund site in Ludwigshafen, Germany.

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About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. Around 112,000 employees in the BASF Group contribute to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio comprises six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €68.9 billion in 2023. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the United States. Further information at www.basf.com.

Media relations

BASF Intermediates

Global
Klaus-Peter Rieser
Phone: +49 621 60-59138
Klaus-Peter.Rieser@basf.com

BASF Intermediates

Asia Pacific
Fanny Yuen
Phone: +852 9271 0329
fanny.yuen@basf.com

About BASF PETRONAS Chemicals Sdn. Bhd.

BASF PETRONAS Chemicals Sdn. Bhd. 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 Verbund site situated in the Gebeng Industrial Zone, Pahang. The company's share capital is 60% held by BASF and 40% held by PCG. Key products include acrylic monomers, oxo products, 2-ethylhexanoic acid, highly reactive polyisobutene and aroma ingredients.

For more information, visit our website www.basf-petronas.com.my.

Media Contact

Sow Kheng Lee
Phone: +60 9585 5035 / +60 12 983 0250
Email: sowkheng.lee@basf-petronas.com.my