

# Joint News Release

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## CPGC and BASF sign Framework Agreement on actual ship application of Onboard Carbon Capture System

- CPGC to adopt BASF's OASE® blue gas treatment technology in the actual ship application of its Onboard Carbon Capture System (OCCS)
- Performance test results of system prototype witnessed by classification societies
- CPGC and BASF jointly achieve commercial application of OCCS

Shanghai, China – CSSC Power (Group) Corporation Limited (CPGC) will install its advanced Onboard Carbon Capture System (OCCS) on multiple liquefied natural gas (LNG) carriers and utilize BASF's OASE® blue technology. To this end, both parties signed a Framework Agreement on the actual ship application of the OCCS at the 2024 Shanghai International Carbon Neutrality Expo in Technologies, Products and Achievements ("Shanghai Carbon Neutrality Expo", CNE). CPGC's OCCS aims to steer the low-carbon transformation and foster the sustainable development of the shipping industry. OASE blue is BASF's gas treatment technology designed for CO<sub>2</sub> capture application in flue gas, with low energy consumption, low solvent losses, and an exceptionally flexible operating range.

The actual ship application marks another significant milestone in the partnership, which comes on the heels of a Memorandum of Understanding signed by both parties at the CNE in 2023 and the completion of the system prototype testing. Currently, CPGC and BASF are working on optimizing the detailed design of the OCCS unit based on actual ship conditions, to achieve commercial applications for

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### Media relations

**CSSC Power (Group) Corporation Limited**  
Huang Donggang  
Phone: +86 13564580020  
[10082741@cpgc.net.cn](mailto:10082741@cpgc.net.cn)

**BASF Intermediates**  
Global  
Klaus-Peter Rieser  
Phone: +49 621 60-59138  
[klaus-peter.rieser@basf.com](mailto:klaus-peter.rieser@basf.com)

**BASF Intermediates**  
Asia Pacific  
Fanny Yuen  
Phone: +852 9271 0329  
[fanny.yuen@basf.com](mailto:fanny.yuen@basf.com)

different types of ships. Over the past year, CPGC and BASF have conducted technical performance tests on the system prototype. The performance test runs have been validated by marine classification societies, which include the American Bureau of Shipping, Bureau Veritas and Nippon Kaiji Kyokai.

Chen Haifeng, General Manager of Environmental Protection Business Department, CPGC, said, “Guided by global carbon reduction goals and the megatrend of low-carbon transformation in the shipping industry, CPGC, a subsidiary of China State Shipbuilding Corporation, has proactively undertaken the responsibility of promoting low-carbon development in the shipping industry with a forward-looking vision. We have worked closely with BASF to jointly address greenhouse gas emissions in the shipping industry and build a brighter future for low-carbon shipping. CPGC will continue to drive innovation and breakthroughs in low-carbon shipping technology, making every vessel a solid force in protecting our blue planet.”

“We are happy to deepen our cooperation with CPGC, which boasts expertise in research and development, manufacturing and supply of marine power systems. By bringing onboard BASF’s gas treatment expertise, we are dedicated to addressing the challenges of energy efficiency improvement and emission reduction in the maritime sector to meet the growing demand for maritime decarbonization,” added Dr. Michael Becker, Senior Vice President, Intermediates Asia Pacific, BASF.

#### **About CPGC**

CSSC Power (Group) Corporation Limited (CPGC) is an enterprise under China State Shipbuilding Corporation (CSSC), a Fortune 500 company, focusing on research and development, manufacturing and services in power equipment for marine application. Headquartered in Shanghai, China. CPGC core business covers low, medium and high-speed marine engines, as well as application products and services in engine spare parts, power and air pollution control systems. The company’s business spans nearly 120 countries around the world. CPGC provides customers with technical solutions and consulting services for the entire life cycle of related products. Website: [www.cpgc.net.cn](http://www.cpgc.net.cn).

#### **About OASE®**

With more than 50 years of experience, BASF offers its customers efficient gas treating solutions for a variety of applications such as natural gas, synthesis gas, flue gas and biogas. Worldwide, these solutions have been proven and demonstrated in about 500 reference plants. BASF markets its range of gas treating technologies, the corresponding solvents and complete technical services including the digital platform OASE® connect under the brand OASE® – Gas Treating Excellence by BASF. The OASE® products are part of the system solutions that make a significant contribution to

sustainability in the value chain. Compared to conventional technologies, OASE® offers high efficiency in gas treatment and thus makes important contributions to conserving resources and reducing emissions by saving energy. For more information, please visit [www.oase.basf.com](http://www.oase.basf.com).

**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](http://www.basf.com).