

# News Release



## **BASF to sell Seal Sands site in the UK to INEOS**

### **Nitriles**

#### ➤ **Focus on core assets of the polyamide value chain**

Ludwigshafen, Germany and Lyndhurst, United Kingdom – March 13, 2008 – BASF SE and INEOS Nitriles announced today that they have reached an agreement for INEOS Nitriles to buy the Seal Sands site of BASF plc on Teesside in the United Kingdom. The acquisition is conditional on approval by the relevant competition authorities. The parties agreed not to disclose the acquisition price.

The BASF Group company BASF plc has approximately 240 employees at the site; a further 250 people are employed by contractors. All BASF plc personnel will be transferred to INEOS Nitriles, who will also take over existing contracts, supply and service arrangements.

The Seal Sands site operates large-scale production facilities for acrylonitrile (AN), adipodinitrile (ADN) and hexamethylenediamine (HMD), as well as for by-products. These chemical intermediates are used in the production of acrylic and polyamide (PA) fibers for clothing and carpets, as well as for acrylonitrile-butadiene-styrene (ABS) and PA plastics for the automotive, electric & electronics and domestic appliance industries.

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HMD remains a key element in BASF's PA 6.6 value chain. For this reason, the HMD plant is excluded from the transaction. INEOS Nitriles will operate the HMD plant for BASF. The same applies for the ADN plant. ADN will be produced at Seal Sands until the plant is shut down at the end of 2008 as announced by BASF in June 2007. ADN is a starting material for HMD.

"We have an external supply agreement for ADN from 2009 onward. The sale of the Seal Sands site is part of our approach to focus on the core assets of our polyamide value chain," said Dr. Harald Lauke, President of BASF Performance Polymers division.

"The purchase of BASF's Seal Sands manufacturing site is a natural development for INEOS Nitriles and supports our long-term strategy. We have a strong commitment to our customers and this acquisition will support their plans for growth," said Rob Nevin, CEO of INEOS Nitriles.

"I am confident that the integration of this site and its workforce into INEOS Nitriles, a company committed to a long-term participation in the acrylonitrile business, will be the best guarantee of continued future success for the Seal Sands site," said Bernd Brian, Site Director at the Seal Sands site.

BASF produces polyamide 6.6 (Ultrad® A) from the key intermediates HMD and adipic acid at its site in Ludwigshafen, Germany. In addition, BASF operates fully backward-integrated production plants for polyamide 6 (Ultrad® B) at its Verbund sites in Ludwigshafen, Germany; Antwerp, Belgium; and Freeport, Texas. Ultrad® A and B are used to produce engineering plastics which go into the automotive, electric & electronics, furniture and leisure industries. In addition, polyamide 6 and 6.6 are used to produce fibers for textile, carpet and industrial applications.

**About BASF**

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from oil and gas to chemicals, plastics, performance products, agricultural products and fine chemicals. As a reliable partner BASF helps its customers in virtually all industries to be more successful. With its high-value products and intelligent solutions, BASF plays an important role in finding answers to global challenges such as climate protection, energy efficiency, nutrition and mobility. BASF has more than 95,000 employees and posted sales of almost €58 billion in 2007. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information on BASF is available on the Internet at [www.basf.com](http://www.basf.com).

**About INEOS and INEOS Nitriles**

INEOS is the world's third largest chemicals company; a leading manufacturer of petrochemicals, specialty chemicals and oil products. Comprising 18 businesses, with production network spanning 76 manufacturing facilities in 20 countries, the company produces more than 32 million tons of petrochemicals, 20 million tons per annum of crude oil refined products (fuels). INEOS employs 16,600 people and has sales of around \$45 billion. INEOS Nitriles is the only acrylonitrile and acetonitrile producer with capacity in the Americas and Europe with facilities at Lima, Ohio; Green Lake, Texas; and Cologne, Germany. It employs 370 people and has a turnover of around \$1.8 billion (£900 million). Further information on INEOS and INEOS Nitriles is available on the Internet at [www.ineos.com](http://www.ineos.com) and [www.ineosnitriles.com](http://www.ineosnitriles.com).