



PRESS RELEASE

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BASF and PETRONAS break ground on 2-Ethylhexanoic Acid production plant in Kuantan, Malaysia

Kuantan, Malaysia – June 4, 2015 – Pahang *Menteri Besar* (Chief Minister), Dato' Sri DiRaja Haji Adnan Haji Yaakob, officiated at the ground-breaking of a 2-Ethylhexanoic Acid (2-EHAcid) production plant at the BASF PETRONAS Chemicals Sdn Bhd integrated site in Kuantan, Malaysia today.

The plant, which is the latest investment by the BASF and PETRONAS Chemicals Group Berhad's joint venture, is the first of its kind in the ASEAN region. With a total annual capacity of 30,000 metric tons, it is expected to be commissioned in Q4 2016.

2-EHAcid is a chemical intermediate used as a compound, for example, in the production of synthetic lubricants as well oil additives. It is also used for functional fluids like automotive coolants, metal salts for paint dryers, plasticisers, stabilisers, catalysts and other applications in various industries including cosmetics.

Located within one of the two Verbund sites within Asia Pacific, the new 2-EHAcid 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.

BASF also operates a 2-EHAcid production plant at its Verbund site in Ludwigshafen, Germany.

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 National Oil Company, under its' subsidiary PETRONAS Chemicals Group (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.

BASF PETRONAS Chemicals Sdn Bhd (451307-K)

Kuantan Integrated Chemical Site: Jalan Gebeng 2/1, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang, Malaysia.

Tel: +60 9 585 5000 Fax: +60 9 583 4623

Shah Alam Office: 2, Jalan Astaka U8/87, Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor, Malaysia.

Tel: +60 3 7841 2200 Fax: +60 3 7846 6624

E-mail: elizabeth.kumarthambo@basf-petronas.com.my

Website: www.basf-petronas.com.my

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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 – and have been doing so for 150 years. Our portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. As the world's leading chemical company, we combine economic success with environmental protection and social responsibility. Through science and innovation, we enable our customers in nearly every industry to meet the current and future needs of society. Our products and solutions contribute to conserving resources, ensuring nutrition and improving quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF had sales of about €74 billion in 2014 and over 113,000 employees as of the end of the year. 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

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 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 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. Further details on PCG can be found at www.petronaschemicals.com.

Media contacts

BASF

Genevieve Hilton
Phone: +(852) 2731 0197
Mobile: +(852) 9025 9857
genevieve.hilton@basf.com

PETRONAS Chemicals Group Berhad

Ahmad Faiz Dato' A Rahman
Phone: +603-2331 9020
Mobile: +6012-3211679
afaiz_rahman@petronas.com.my