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BASF PETRONAS Chemicals celebrates 25th anniversary with announcement of a new plant expansion in 2024

- **Providing sustainable life for 25 years and more to come**
- **The expanded and new plant start-up by Q4, 2024**
- **Supporting the growing demand in the market**

Kuantan, Malaysia – October 6, 2022 – The Chief Minister of Pahang, Dato' Sri Haji Wan Rosdy bin Wan Ismail, officiated the double celebration of 25th year anniversary of BASF PETRONAS Chemicals (BPC) and the official launch of a 2-Ethylhexanoic Acid (2-EHAcid) plant expansion project at BPC's integrated site in Kuantan, Malaysia.

BPC, BASF and PETRONAS Chemicals Group Berhad's (PCG) joint venture, is moving forward with the investment on the expansion project for the 2-EHAcid production plant at its Verbund site in Kuantan. The expansion will enable the company to double the annual production capacity of 2-EHAcid to 60,000 metric tons and support the ongoing growth of its customers in the region.

"BPC is another successful joint venture for BASF with excellent safety and business performances, thanks to the long-term and close tie between BASF and PCG over a quarter century, which is further cemented by this expansion. With the doubled capacity, we will be well-equipped to grow together with our customers from various industries with reliable supply capability and top-notch product quality," said Vasilios Galanos, Senior Vice President, Intermediates Asia Pacific, BASF.

"BPC is one of our strategic JV investments which capitalises on the integration between BPC and other PCG plants in the Kuantan Verbund site. This integration allows BPC to maximise the value chain by improving the quality and cost competitiveness of the products to continue delivering innovative solutions to our customers. 2-EHAcid has been an integral part of BPC's growth and this expansion will capture the growing market demand. The expansion is also in line with PCG's sustainable growth strategy to expand our portfolio with higher value products," said Ir. Mohd Yusri Mohamed Yusof, Managing Director/ Chief Executive Officer, PCG.

"This expansion marks another key milestone achieved by the organisation and thanks to its existing "Verbund" integrated concept, skilled workforce, reliable raw materials supply, and strong stakeholders support that enable this new investment to underline our commitment in providing sustainable life of 25 years and more to come," adds Marko Murtonen, Managing Director, BPC.



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This momentous event also features its continuous commitment to safety articulated in the Journey To EHS Excellence safety exhibition. Celebrating with BPC are all the stakeholders and community partners that have been a strong pillar to the growth and success of the organisation for the past 25 years.

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. Apart from the production site in Kuantan, Malaysia, BASF produces 2-EHAcid at its Verbund site in Ludwigshafen, Germany.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. Around 111,000 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 €78.6 billion in 2021. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. 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 Southeast 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 12.8 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.

PCG is one of the top 10 companies in the FTSE4Good Bursa Malaysia (F4GBM) Index, out of 200 largest companies ranked by market capitalisation. 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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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.

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