

November 30, 2015

Sumitomo Chemical to License PP and PO Production Technologies to S-OIL

Sumitomo Chemical has concluded an agreement with S-OIL Corp. of South Korea under which the Company licenses its technologies of manufacturing polypropylene (PP) and propylene oxide (PO) to the oil refining company.

S-OIL operates a refinery complex with 669 kBPD (kilo barrel per day) of crude processing capacity in Ulsan, Korea and mainly produces fuel, lube base oil and petrochemical products. In September this year, S-OIL has made the final investment decision on Residue Upgrading Complex and Olefin Downstream Complex Project of constructing 76 kBPD high-severity RFCC plant that upgrades low value residue oil to high value gasoline and propylene, and 405 KTA PP plant and 300 KTA PO plant that convert the propylene to the downstream products with target completion in the 1st half of 2018.

Sumitomo Chemical's PP production technology has a proven track record of successful operations at various locations in the world, such as the Company's Chiba Works in Japan and licensee companies overseas including its affiliates in Singapore, offering high quality products while maintaining stable plant operation over a period of time. As far as PO is concerned, the Company's production technology is based on a PO-only process where PO alone is manufactured without accompanying coproducts by recycling cumene. The cumene method, which was commercialized by Sumitomo Chemical for the first time in the world, has a distinct advantage of achieving a high PO yield by the combined use of the Company's proprietary high-performance epoxidation catalyst as well as ensuring superior stability in plant operation. The technology has successfully been in operation on a commercial scale at Sumitomo Chemical's Chiba Works and an affiliate in Saudi Arabia.

Sumitomo Chemical intends to strengthen its business competitiveness by expanding the Company's portfolio of technologies through continued development of innovative technologies and at the same time will contribute to the further development of the world's petrochemical industry by deploying globally, via licensing activities, an array of its versatile technological expertise cultivated over the years.

About S-OIL

- Establishment: 1976
- Head Office: Seoul, South Korea
- CEO: Nasser Al-Mahasher
- Main shareholder: Aramco Overseas Company (AOC) 63.4%