

# PIC Awarded Marketing Rights to Canada Kuwait Petrochemical Corporation's Alberta Polypropylene Production Facility



KUWAIT, May •, 2018 –Kuwait's Petrochemical Industries Company K.S.C. ("PIC") is pleased to announce that it has executed a definitive agreement with Canada Kuwait Petrochemical Corporation ("CKPC") to be the marketing agent for CKPC's proposed 550 thousand metric ton per year ("kTa") polypropylene ("PP") production facility in Sturgeon County, Alberta, Canada (the "Project"). CKPC is a joint venture between PIC and Pembina Pipeline Corporation ("Pembina"). Construction of the Project remains subject to a positive final investment decision from CKPC's shareholders, which is expected after front-end engineering and design activities are completed later this year.

This agreement provides PIC the right to market for sale future PP production from the Project. PIC will market CKPC's full slate of homopolymer, random and impact copolymers globally, with a focus on the North American market.

PIC currently markets over 450 kTa of PP from facilities operating in the Middle East and South-East Asia. By the time the CKPC Project comes into service, PIC expects to be marketing over 2,000 kTa of PP, including CKPC and other projects currently under development in Kuwait and abroad. To support these marketing activities PIC has developed a global marketing organization and is currently bolstering its North American presence.

PIC is ideally suited to build key customer relationships in advance of CKPC's Project being in-service by leveraging existing PP production. PIC's familiarity with the UNIPOL® PP technology licensed by W.R. Grace & Co.-Conn. and its associated PP grade slate is expected to further enhance pre-marketing for CKPC.

"The size, scale, global reach and future growth of PIC's marketing operations provide the ideal platform for CKPC and will deliver value and optionality to our customers," said Stuart Taylor, Chairperson of CKPC. "PIC's marketing capabilities were a key driver in the establishment of CKPC and this agreement serves to formalize this role. Pre-marketing of PP in target markets and developing productive customer relationships well before the Project's in-service date will allow CKPC to enter the market from a position of strength."

### **About CKPC**

CKPC, founded in 2017, is a joint venture of Pembina and PIC and is headquartered in Calgary, Alberta. CKPC is in the front-end engineering design stage of an integrated propane dehydrogenation and polypropylene complex in Sturgeon County, Alberta. The facility will consume on average 23,000 barrels per day of propane feedstock and produce approximately 550,000 tonnes per year of polypropylene.

### **About PIC**

PIC, founded in 1963, is a subsidiary of Kuwait Petroleum Corporation. Today, PIC is a regional petrochemical industry leader. In addition to manufacturing and marketing fertilizers, olefins and aromatics in Kuwait, PIC participates in multiple joint ventures that also produce and market petrochemical products both locally and internationally including propylene and PP. PIC has been operating in Alberta since 2004 through various investments including those in the petrochemical industry.

### **For further information contact:**

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