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euro adhoc: OMV Aktiengesellschaft / OMV: Schwechat set to become one of the leading locations in European plastics industry (E)

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EUR 200 million for extension of ethylene and propylene production
Increase of capacity to 900,000 tons per year by 2006
Petrochemicals add value to the business
Synergies through integration with Borealis

OMV, Central and Eastern Europes leading oil and natural gas group, today announces the planned extension of the petrochemicals capacity at its refinery in Schwechat. Approximately EUR 200 million (mn) will be invested to increase ethylene and propylene production, upgrading the overall capacity from 650,000 to 900,000 tons (t) per year. The extended facilities will be completed in autumn 2005. At the same time Borealis, one of the worlds leading plastics manufacturers, will also increase its capacity in Schwechat to approximately 1 mn t per year, thus putting Schwechat firmly on the map of leading locations in the European plastics industry.

The extension of the petrochemicals and plastics production capacity in Schwechat, a joint project with Borealis, will be a significant boost for OMVs value added chain in production. Gerhard Roiss, Deputy CEO of OMV, comments: "The overall joint investment by OMV and Borealis in Schwechat will amount to approximately EUR 400 mn, the largest single investment ever made in that location. This will both strengthen and consolidate the competitive position of Schwechat as a petrochemicals centre. From 2006 Schwechat will be one of the leading locations in the European petrochemicals industry, with about 900,000 t per year production for OMV and almost 1 mn t per year production for Borealis."

Gerhard Roiss commented: "This investment is deliberately being made when the plastics industry is at the bottom of its economic cycle in order to benefit from an expected upturn in 2005/06. An increasing demand for plastics is already becoming evident in Asia. This trend is expected to accelerate in that region and to start impacting Europe in the second half of 2003".

Modern facility to increase value added products
The EUR 200 mn investment in Schwechat will be used to upgrade cracker facilities required for the production of ethylene and propylene. These basic petrochemical products are used in manufacturing high-quality plastics. OMV will extend its ethylene capacity by 150,000 t to approximately 500,000 t per year and its propylene capacity by 100,000 t to approximately 400,000 t per year. The facilities are scheduled to run at full production capacity from January 1, 2006. The majority of the petrochemicals manufactured by OMV in its refinery in Schwechat are delivered by pipeline to the neighbouring Borealis plant as an input material for its polyethylene and polypropylene production.

Synergies between OMV and Borealis
The plastics activities of Borealis, which is 50% owned by OMV and IPIC, are an integral part of OMVs petrochemicals chain. In 2002,

the OMV Group sold approximately 1.1 mn t of ethylene and propylene, of which 650,000 t was produced in Schwechat. Covering 27% of Borealis petrochemicals demand in Schwechat and Burghausen, OMV is the largest monomer supplier for Borealis. By 2005, Borealis will extend its polyolefin capacities in Schwechat by approximately 250,000 t per year. The construction of a new Borealis polyethylene plant and the extension of a polypropylene plant will bring the Company's total production capacity to about 1 mn t per year.

Notes to editors:

Monomers and plastics:

The most important applications for polyethylene (feedstock is ethylene) are plastic sheets, storage and transport containers. Polypropylene (PP) with propylene as the input material is used to manufacture packaging materials and textiles. An alternative application of polypropylene is the automotive industry, where PP is found in bumpers and fittings.

OMV Aktiengesellschaft

OMV Aktiengesellschaft, with Group sales of EUR 7.08 billion and 5,828 employees in 2002, and a current market capitalization of EUR 2.8 billion, is one of Austria's largest listed industrial companies.

As the leading oil and gas company in Central and Eastern Europe, the OMV Group is active in 12 of these countries in its Refining and Marketing (R & M) business, and has set a goal of doubling its market share in the area to 20% by 2008. OMV is now involved in international exploration and production activities (E & P) in 17 countries. The Group operates integrated chemical manufacturing plants. In addition, it holds a 25% stake in Borealis A/S, one of the world's leading manufacturers of polyolefins, a 45% stake in the BAYERNOIL refinery network, a stake of approximately 9% in the Hungarian petroleum company MOL, and a 25.1% stake in The Rompetrol Group NV, the largest private oil company in Romania.

Borealis

Borealis is a leading supplier of high-quality polyolefin plastics - polyethylene and polypropylene - producing over 3.5 million tons of these plastics per year. The Borealis head office is in Denmark and the Group has manufacturing sites and operations in Austria, Belgium, Brazil, Finland, Germany, Italy, Norway, Portugal, Sweden, the United Arab Emirates and the USA. Customer Services Centres are located in Austria, Belgium, Finland, Germany, Italy, Spain and Sweden.

Borealis is owned 50% by the Norwegian oil company Statoil, 25% by IPIC, the International Petroleum Investment Company of Abu Dhabi, and 25% by OMV, the Austrian oil and gas group.

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