

29<sup>th</sup> April 2013

## Media Release

# QENOS ALTONA EXPANSION PROJECT LAUNCH

Qenos is delighted to announce the launch of its \$195m expansion project at an official ceremony held today at the Qenos Altona site in Melbourne.

Today's announcement celebrates the substantial completion of its expansion at Altona, increasing production of high density polyethylene by 20 per cent and reinforcing its long term commitment to the Australian polyethylene market.

Victorian Premier The Hon Dr Denis Naphthine MP officially opened the new facilities at the Qenos Altona site. The opening was hosted by Qenos's shareholder, Mr. Robert Lu, President, China National Bluestar (Group) Co. Ltd, and attended by senior representatives from Qenos's stakeholders including international shareholders, customers, unions, government, suppliers, banks, community, regulators and employees.

This project expands and modernises Qenos's operations at Altona in Melbourne and is a great example of Australia and China working together. This Chinese investment in Australian manufacturing recognises Qenos's highly skilled workforce and the strong technical capability that exists in Australia.

Qenos supplies locally produced polyethylene to hundreds of Australian manufacturers - material that would otherwise be sourced from overseas on costly supply chains and long lead times.

Qenos Chief Executive Officer, Jonathan Clancy explains, "Qenos takes Australia's natural resources and adds enormous value through the conversion to world class polymers. This value is further increased by Australian manufacturers through the conversion into locally produced finished goods. This investment highlights the opportunity that exists in Australia to find innovative ways to add value to our abundance of natural resources."

"This investment positions Qenos for future growth and a stronger partnership with the Australian plastics industry. It provides a long term underpinning of Qenos's future which is great news for our employees and the broader community," Mr. Clancy said.

Qenos is the cornerstone of Australia's plastics industry and this project increases Altona's manufacturing capacity by 20 per cent ensuring it remains competitive in the global market.

"The Altona expansion project secured 15 years supply of feedstock worth more than \$2 billion. Qenos adds significant value to locally sourced ethane and LPG to produce polyethylene which is then used to develop a range of high quality plastic products, both domestically and for export," said Mr. Clancy.

“For our valued customers, this significant investment provides benefits through enhanced reliability of supply, coupled with our ability to increase capacity in line with the growth of the Australian polyethylene market, providing a sound base for future growth.”

“The project which initially commenced in 2010 has created 250 jobs during the design and construction phase. More than 400,000 hours have been worked on the project which was enabled with the support of our construction partner Transfield Services and engineering and design partner Uhde Shedden.”

“In addition, the investment also delivers significant environmental benefits from improved production efficiency, reducing both water and greenhouse gas intensities,” Mr. Clancy said.

The investment was also supported through the assistance of the Victorian State Government.

“We are very pleased with the ongoing support from the Victorian Government which recognises the value of local highly trained and skilled manufacturing jobs at Qenos and the importance of its role throughout the local manufacturing supply chain.”

The investment constitutes a strong endorsement of the Qenos business and the Australian industry by Qenos’s shareholder, China National Bluestar (Group) Co. Ltd; a joint venture between China National Chemical Corporation (“ChemChina”) and The Blackstone Group. ChemChina is a global Fortune 500 company with revenue exceeding US\$30 billion, and one of China’s largest chemical companies.

This investment into Qenos facilities enables the company to maintain its leadership position as the largest production centre for plastics and petrochemicals in Australia.

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**For further information:**

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Qenos is an Australian leader in the manufacture, distribution and trading of polymers and is a vital link in the nation's manufacturing chain.

Our manufacturing operations in Altona and Botany employ approximately 730 people and focus on supplying Australia's growing polymer market. The world class quality of Qenos products reflects the skills and expertise of our people, our efforts in technology development, and our focus on sustainability, efficiency and innovation.

Qenos adds significant value to natural resources, creating high value products. We bring on the ground technical expertise to assist our customers to produce their best and work hard to build strong relationships with all of our stakeholders – our customers, employees, shareholders, financiers, suppliers, unions, regulators, governments and local communities – relationships that are critical to future growth and prosperity. Qenos make products that contribute to conserve Australia's resources and energy.

Every day in our homes, factories and farms, Australians rely on products made from the polymers and chemicals produced by Qenos. From juice and milk bottles to mobile garbage bins, water tanks and pipes to packaging of cleaning products and food wrapping, Qenos polymers are everywhere.

Qenos is a subsidiary of China National Bluestar (Group) Co. Ltd, a joint venture between China National Chemical Corporation ("ChemChina"), a global Fortune 500 company with revenue exceeding US\$30 billion and The Blackstone Group. Our international links allow us to source specialty products from around the world and give us access to global business opportunities.

Qenos continues its role as a leader and innovator and is focused on delivering sustainable solutions.