

USA: \$1.7 billion investment to expand Total's petrochemicals activities in Texas

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Paris, March 27, 2017 - Total is entering a partnership with Borealis and Nova to form a joint venture with the aim of building an ethane steam cracker and a new Borstar[®] polyethylene unit on the US Gulf Coast. Total is expected to hold a 50% interest in the new joint venture.

More precisely, the joint venture will include:

- building a new 1 Mt/y ethane steam cracker in Port Arthur, Texas;
- Total's existing polyethylene 400 kt/y plant in Bayport, Texas;
- building a new 625 kt/y Borstar[®] polyethylene plant on the Bayport site, Texas.

The joint venture is expected to be established in late 2017* and the final investment decision on the Borstar[®] polyethylene plant will be taken simultaneously.

The \$1.7 billion new cracker is scheduled to start up in 2020 and will create around 1,500 jobs during peak engineering and construction activity. The engineering, procurement and construction contract (EPC) of the ethane steam cracker has been awarded by Total to CB&I.

The new cracker will be built alongside Total's Port Arthur refinery and Total/BASF existing steam cracker. By leveraging synergies with its existing world-class integrated platform in Texas, Total optimized capital expenditure and will deliver one of the most competitive cracker projects in the US.

"After significant investments in US LNG and US shale gas in 2016, this almost two billion dollar investment signals our determination to strengthen our presence in the United States, where we have operated for 60 years and have more than 6,000 employees" explained Patrick Pouyanné, Chairman and CEO of Total. "We want to take advantage of the business-friendly environment to contribute to making American petrochemicals even greater. By joining forces with Borealis and Nova, we aim to create a major player in the US polyethylene market".

The abundance of available gas in the United States as result of the shale revolution provides two competitive advantages for petrochemicals: access to low-cost energy to run the facilities and competitively priced ethane feedstock.

Total in the United States

Total is present in all oil and gas industry segments, with the exception of fuel retailing, in the United States. Its operations there date back to 1957 and employ more than 6,000 people. Its main activities are:

- In Refining & Chemicals, Total owns the Port Arthur refinery in Texas and has a 40% interest in a condensate splitter, which have a total capacity of 202,000 barrels per day. Port Arthur refinery is integrated with a steam cracker in which the Group has a 40% interest through a joint venture with BASF (60 %). In petrochemicals, Total operates one of the world's largest polypropylene plants, in La Porte, Texas; the world's largest polystyrene plant, in Carville, Louisiana; and two high density polyethylene (HDPE) lines in Bayport, Texas. The Group is also present in the country through its affiliates Cray Valley, which produces hydrocarbon resins, and Hutchinson, which processes elastomers.
- In Exploration & Production, Total is active in the deepwater Gulf of Mexico and in shale gas production in the Barnett Shale (Texas) and the Utica Shale (Ohio).
- In LNG, Total has contracted US production in its trading portfolio and has acquired in 2016 an interest in Tellurian that develops an integrated gas project to produce and export LNG from the planned Driftwood LNG Terminal (Texas).
- In renewable energies, Total is the majority shareholder of SunPower, a global solar leader that offers rooftop solutions for the home, industrial and commercial markets and develops utility-scale solar power plants. The Group is also present in the energy storage market through its affiliate Saft, which runs U.S.-based research and manufacturing sites.

** Pending regulatory approvals.*

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About Total

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