



Press release

Paris, January 22nd, 2007

Arkema and Essar announce the signing of a Memorandum of Understanding for the production of acrylic acid in India.

Arkema, a leading French chemical company and Essar Chemicals Ltd., part of India's Essar Group, have announced the signing of a Memorandum of Understanding to study the feasibility of a 50/50 joint venture in India for the production and commercialization of acrylic acid and esters.

For Arkema, this will be in line with its strategy to further develop its acrylics business especially in fast growing regions. For Essar, the venture would signify adding value to streams coming out of its world-class oil refinery recently commissioned in India.

The new world-scale production plant would come on stream in 2010. It would be located at Vadinar in Gujarat Province on India's Northwest coast, downstream from the recently commissioned Essar refinery, using propylene as feedstock.

"This unit should be the first acrylic acid plant to be built in India and would serve the fast growing acrylics market in this part of the world. Its location would be ideal to supply both the Indian and the Asian markets", comments Henri Dugert, Group President of Arkema's Acrylics Business Unit.

Anshuman Ruia, Director, Essar Group, said “Essar Group is firmly on the path of expanding value chain in all their businesses and entry into this business would further enhance potential of Essar Oil’s refinery from where main feedstock propylene will be supplied for acrylic complex. Joining hands with Arkema, one of the premier companies in the world in this business will provide strategic leverage in Indian chemical market to both companies.”

.A world-class chemical concern, **Arkema** combines three strategically related, integrated businesses: Vinyl Products, Industrial Chemicals and Performance Products. With operations in more than 40 countries and 18,400 employees, the company reported revenue of €5.7 billion in 2005. Leveraging six research centers in France, the United States and Japan and internationally recognized brands, Arkema holds leadership positions in each of its principal markets.

With two existing production sites in Carling (France) and Bayport (USA), Arkema intends with this new project to reinforce its position as a global player in acrylic monomers whose main applications are paints and coatings, superabsorbents, water treatment, and the paper and textile industries.

Essar Group is one of the fastest growing business groups in India. The Group’s businesses span the core and infrastructure segments of the economy – steel, oil and gas, power, mobile telecom, shipping and construction, and has approximately 20,000 employees.

Essar Chemicals Limited is part of Essar Global Limited, an investment arm of Essar Group. This company will be a vehicle to enter into value added chemicals business and is currently evaluating various options available based on feedstock streams from Essar Oil Limited’s refinery at Vadinar, near Jamnagar in Gujarat.

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