



Mitsui and Iran's MHPC to Sign HDPE Plant Contract

Japan's Mitsui Engineering & Shipbuilding Co., Ltd. (MES) and Mitsui Chemicals, Inc. (MCI) jointly entered into a contract with Iran's Mehr Petrochemical Company Ltd.(MHPC) on June 15, for construction of a high density polyethylene (HDPE) manufacturing plant, MES and MCI announced today.

HDPE is a plastic used for producing packaging materials, pipes and household articles..

The HDPE plant with a design capacity of 300,000 ton/yr, will be constructed in Assaluyeh in southern Iran, under a technology license from MCI for its proprietary HDPE production process. Construction is scheduled to begin in February, 2006, with completion expected in the first quarter of 2008.

MHPC is a joint venture of Iran's National Petrochemical Company (NPC), Thailand's Cementhai Chemicals Co., Ltd. (CCC), Thailand's National Petrochemical Public Company (NPCT) and Japan's ITOCHU Corporation.

MES and MCI successfully clinched the order this time, based on the high regard for the outstanding technological capability of MCI with a large number of technology licensing achievements around the world (including NPC, CCC, NPCT) , and MES's numerous achievements in polyolefin plant construction as well as its excellent engineering design, procurement and management capability demonstrated in plant construction projects.

As a result of the latest successful bidding, this is the third-time contract award on a full turnkey basis with NPC group for MES, following the construction of HDPE in July 2004 and ethylene glycol in February, 2005. The number of HDPE plant order won by MES will total 26 units including this time. For MCI, this will be the 42nd licensed plant using its HDPE technology, with the cumulative licensed capacity reaching 4.8 million ton/yr, which all together contributes to further strengthening MCI's presence in the polyolefins field.

In the prosecution of the project this time, MCI will be responsible for supplying the HDPE process technology, MES for the basic and detailed engineering, procurement of equipment and supervision of plant construction, respectively. MES and one of Iran's leading engineering

companies, Rehabilitation & Maintenance of Petrochemical Co., (RAMPCO) will form a consortium, which will be entrusted with equipment procurement within Iran and executing the actual construction work.

Moreover, the project will be funded by export credit from Japan Bank for International Cooperation under favorable terms and conditions, and export insurance is expected to be underwritten by the Japanese government's Nippon Export and Investment Insurance.

MES and MCI intend to actively conduct the activities to pursue HDPE plant orders from the entire world from now on.

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