



# PETROCHEMICAL NEWS

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## **Sinopec & Sabic JV Begins Production At New 1-MM-T/Y Tianjin Cracker**

*Tianjin*—Sinopec and Saudi Basic Industries Corp. (Sabic) have started up their new joint venture 1-million-t/y ethylene cracker at Tianjin, China, the official Xinhua News Agency reported.

The cracker is part of a complex being built by Sinopec Sabic Tianjin Petrochemical Co. that also includes downstream units for the production of 600,000 t/y of polyethylene, 450,000 t/y of polypropylene, 400,000 t/y of ethylene glycol and unspecified amounts of butadiene, phenol and butene-1 (PCN, 9 Nov 09, p 1).

## **Total Touts 1st European End-to-End Carbon Capture Demonstration Unit**

*Paris*—Total last week inaugurated the first European end-to-end carbon capture, transportation and storage demonstration facility in Lacq, France.

The new €60-million plant uses an oxycombustion carbon capture technology developed by Air Liquide. Pure oxygen is substituted for air in an industrial boiler to produce smaller amounts of flue gas, which is 90% carbon, Total explained. Carbon from the Lacq site will be piped to the Rousse geological storage site and injected into a depleted natural gas reservoir 4,500 meters below ground.

Total expects about 120,000 tons of carbon dioxide will be captured and stored over the next two years, after which monitoring of the injection site will continue for three years.

## **Saudi Kayan Gets Revised Bids For Amines Facility at Jubail**

*Jubail*—Saudi Kayan Petrochemical Co. has received revised bids from four companies for construction of a 210,000-t/y amines plant as part of a 6-million-t/y complex being built at Jubail, Saudi Arabia.

New bids from CTCI of Taiwan, Daelim Industrial Co., Fluor Corp. and Hyundai Engineering and Construction are being reviewed and a contract for the amines project is expected to be awarded in February.

Kayan, a subsidiary of Saudi Basic Industries Corp., recently signed a letter of intent with Daelim for construction of a 300,000-t/y low-density polyethylene plant, which is part of the same complex being built at Jubail (PCN, 4 Jan 10, p 1).

## **HOCL Awards Contract to Uhde For Nitric Acid Plant Upgrade**

*Mumbai*—Hindustan Organic Chemicals Ltd. (HOCL) said it has selected Uhde India to provide engineering services for the refurbishment of its concentrated nitric acid facility at Rasayani, Maharashtra, India, in order "to improve the operational reliability of the plant."

Uhde's scope of work includes basic and detailed engineering, technical procurement assistance, inspection services for certain units and supervision services during erection.

A completion date for the upgrade, capacity and value of the contract were not disclosed.

## **CF Withdraws Acquisition Offer And Abandons Pursuit of Terra**

*Deerfield*—CF Industries announced it has withdrawn its offer to acquire Terra Industries and is no longer pursuing an acquisition of the company (PCN, 21-28 Dec 09, p 2).

CF said it has also sold all of its Terra shares, with a net gain that more than offsets the expenses it incurred in connection with the proposed acquisition.

"It is clear that an acquisition of Terra now would require a significant increase in our offer, given the substantial uplift in equity values in the fertilizer sector," explained CF Chairman, President and Chief Executive Stephen R. Wilson. "While the strategic merits of a transaction are undeniable, it is not in the best interests of CF Industries stockholders to increase our offer to the level that we believe would now be required for Terra to agree to an acquisition."

Last month, Terra rejected CF's offer to acquire Terra for \$36.75 in cash and 0.1034 of a share of CF common stock for each share of Terra. This offer represented an increase of \$4.75/share from its earlier bid.

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**Separately, Agrium Inc. has extended** the expiration date of its offer to acquire CF for \$45 in cash plus one Agrium share per share of CF until 22 Feb. 2010 (PCN, 9 Nov 09, p 4).

Agrium also plans to nominate two independent directors for election to CF's board at CF's 2010 annual meeting.

## **Eastman Completes Dutch Expansion Of Hydrogenated Hydrocarbon Plant**

*Middelburg*—Eastman Chemical announced it has completed the expansion of its Regalite hydrogenated hydrocarbon resin facility in Middelburg, the Netherlands (PCN, 1 June 09, p 3).

The expansion, which increased the plant's original Regalite capacity by 65% through an optimized production process, uses "less energy per ton of end product," said Mark Costa, executive vice president for specialty polymers, coatings and adhesives and chief marketing officer. "It also reduces the region's dependence on imported resins," he added.

"This has been one of the biggest expansions of Eastman Chemical Co. in the Europe, Middle East and Africa region in the last decade. Investments in Middelburg are a part of Eastman's overall growth and investment strategy for hydrogenated hydrocarbon resins," noted Eastman's Middelburg Site Manager Rien Jonker.

## **Dow Confirms Wilton EO/EG Closure**

*London*—Dow Chemical has confirmed its earlier plan to shut down its ethylene oxide (EO) and ethylene glycol (EG) production facility at Wilton, UK, by the end of this month (PCN, 13 July 09, p 1).

Last summer, Lee Christens, Dow's global business director for EO and EG, said "potential closure of the plant had become necessary, given the unsustainable business conditions the facility faces." The company cited disadvantaged input costs and demand and profit margins.

Dow will demolish the facility and restore the site on which the plant stands, local press reports said.

### **Cereplast Anticipates Production Start At Seymour Bio-Based Plastics Plant**

*Seymour*—Cereplast Inc. said it plans as early as February 2010 to begin production at its delayed bio-plastic resins plant in Seymour, Ind., (PCN, 11 Aug 08, p 4).

The company, which announced mechanical completion of the 50-million-lb/yr bioresins facility in mid-2008, said it delayed opening of the plant because of the economic downturn. The plant has been designed for rapid expansion to a capacity of 500-million lbs/yr.

Cereplast also announced that it is relocating all of its production and research and development activities to Seymour from southern California. "The Indiana plant will allow us to drastically reduce our costs compared to California; from real estate to utilities, the savings will be across the board," noted Cereplast Founder, Chairman and Chief Executive Frederic Scheer.

### **Vietnamese Plastics Producers Facing Major Challenge in Feedstock Supply**

*Hanoi*—Vietnam's plastic sector is facing a major challenge in securing domestic supplies of feedstock, according to local reports quoting Vu Xuan Mung, deputy head of the Ministry of Industry and Trade's representative office in Ho Chi Minh City.

Vietnamese producers can meet only 10% of the plastic industry's demand for raw materials, resulting in the need to import up to 2-million t/y of feedstock from international sources at a cost of about \$2.1-billion, Mung said.

As feedstock prices represent between 70% and 80% of the cost of producing plastics, this is the industry's largest challenge, and one that is compounded by the changes in exchange rates, he noted. The result, he added, is that the cost of plastics produced in Vietnam is about 10% to 15% higher than those produced in China.

The Ministry of Industry and Trade, as one of its key economic policies, is recommending the use of recycled plastics as a solution to feedstock supply shortage.

Nguyen Khac Long, general director of Vietnam Plastic Co., said there is a plentiful supply of waste plastic in Vietnam, but the plastics sector has not taken advantage of it because there are no recycling facilities and the waste has not been properly treated. To resolve the situation the plastics industry is making plans to set up recycling facilities.

The use of between 35% and 50% of recycled materials in plastics production could save companies \$600-million annually and allow the producers to increase their exports to countries such as the U.S. and Japan, where demand seeks a content of 10% recycled plastics, Long stated.

### **Indorama Denies Wrong Doing Regarding Eastman's Lawsuit**

*Jakarta*—Indorama, after being formally served with notice of a lawsuit filed by Eastman Chemical claiming patent infringement, said it denies any wrong doing as alleged (PCN, 4 Jan 10, p 4).

Eastman's complaint against Indorama's companies in the U.S., Europe and Thailand alleges patent infringement of three IntegRex polyethylene terephthalate manufacturing technologies, breach of contract, and trade secret misappropriation due to Indorama's unauthorized disclosure and use of information covered by a license agreement between it and several European Indorama units.

Indorama said it has appointed legal counsel and will "vigorously defend the claims."

### **SynGest Looking to Stern Brothers For Bio-Ammonia Plant Financing**

*Des Moines*—SynGest Inc. said it has engaged Stern Brothers & Co. to raise an undisclosed amount of capital for its first biomass-to-ammonia plant to be built in Menlo, Iowa (PCN, 6 July 09, p 3).

SynGest is building a facility, based on its own technology, to produce 50,000 t/y of anhydrous ammonia from 130,000 t/y of local corn cobs. The plant is scheduled to be fully operational by the fall of 2011.

The company earlier noted that this facility "will be the first new ammonia production plant to be built on American soil since the decline of traditional U.S.-based production began more than five years ago as energy prices started to rise."

After the Iowa project is launched, SynGest plans to build similar fertilizer mini-plants in other parts of the country. The company said it is involved in talks with interested parties in Ohio, Oregon, Michigan and Minnesota.

### **Dow's Styron Draws Investors Interest**

*Midland*—Dow's Styron styrenics and aromatics business, which was put up for sale this past July, has received bids from several private equity firms, Reuters reported.

Dow has asked interested parties to reconfirm their interest "in order to narrow the field of buyers," the report said. Some of the interested buyers include Apollo Management, Rhone, Bain Capital and TPG Capital LP, among others.


PCN earlier reported Dow expected to complete the sale of the Styron unit during the first quarter of this year (PCN, 16 Nov 09, p 2).

The Styron unit is comprised of Dow's acrylonitrile butadiene styrene and styrene acrylonitrile resins, polystyrene, expandable polystyrene, styrene monomer and polycarbonate activities.

### **Petroleum Trust Sells RIL Shares**

*Mumbai*—Petroleum Trust of India has completed the sale of 33-million equity shares of Reliance Industries Ltd. (RIL) for a price of Rs 1,050/share, or a total price of approximately Rs 3,465 crore (\$763-million).

RIL, following a \$660-million sale of shares last September, earlier this month raised \$577-million with the sale of about 1.5% of RIL's outstanding issued share capital, primarily to Life Insurance Corp. of India (PCN, 11 Jan 10, p 2).



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