



Enterprise to Build PDH 2 Plant; Supported by Long-term Agreements With LyondellBasell

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HOUSTON--(BUSINESS WIRE)--Sep. 26, 2019-- LyondellBasell Industries N.V. (NYSE: LYB) ("LyondellBasell") and Enterprise Products Partners L.P. (NYSE: EPD) ("Enterprise") today announced that their respective affiliates have executed long-term contracts that support construction of Enterprise's second propane dehydrogenation ("PDH") plant ("PDH 2"). PDH 2 will have the capacity to consume up to 35,000 barrels per day ("BPD") of propane and produce up to 1.65 billion pounds per year of polymer grade propylene ("PGP"). PDH 2 will be located at Enterprise's complex in the Mont Belvieu, Texas area. The facility is scheduled to begin service in the first half of 2023.

"For nearly 30 years, Enterprise has proven to be a capable, reliable partner for LyondellBasell," said Bob Patel, chief executive officer of LyondellBasell. "As we aim to meet the growing demand for our products, ensuring a long-term supply of feedstock is critical. These agreements allow us to leverage Enterprise's construction expertise, operating experience and robust network as we continue to deliver an outstanding value proposition for our customers."

"We are very pleased to enter into these agreements to further expand our already extensive relationship with LyondellBasell," said A.J. "Jim" Teague, chief executive officer of Enterprise's general partner. "PGP is a primary petrochemical that can be converted into hundreds of products that improve the daily lives of people around the world. Demand growth for these propylene-based products is strong and PDH 2 will provide cost-advantaged supply assurance to our customers, enabling expansion of their downstream businesses to satisfy this global demand."

Enterprise has licensed Honeywell UOP's Oleflex propane process to produce PGP. Enterprise has over 25 years of experience with this technology. The company's existing isobutane dehydrogenation ("iBDH") plant, which uses the Oleflex butane process, commenced operations in 1993. The partnership is currently building a second iBDH facility utilizing the same process, which is expected to be completed later this year and is on time and on budget.

Enterprise has negotiated terms for a fixed-cost Engineering, Procurement and Construction contract with S&B Engineers and Constructors, Ltd. ("S&B") to build PDH 2. Enterprise's experience with S&B dates back to 1995. S&B-led construction projects for Enterprise include nine natural gas liquid ("NGL") fractionators and certain deisobutanizers at Mont Belvieu, the Hobbs NGL fractionator, and the partnership's ethane export facility on the Houston Ship Channel.

Teague added, "With the combination of LyondellBasell as an anchor customer, our use of UOP's Oleflex technology and S&B providing engineering and construction services, I am highly confident of a successful project that will grow Enterprise's cash flow per unit and enhance the value of our partnership."

Enterprise began its fee-based midstream petrochemical service business with the development of its first propylene fractionator in 1978. PDH 2 is being developed with this same fee-based model. These anchor contracts are service-based under which Enterprise processes LyondellBasell-provided propane to PGP for a fixed fee. This fee-based model leverages Enterprise's integrated value chain by providing sourcing and storage from Enterprise's NGL storage facilities in Mont Belvieu, and delivers PGP into its open market storage hub and growing network of PGP pipeline infrastructure. Enterprise's network of PGP assets includes more than 300 miles of delivery pipelines, 26 PGP connections, more than five million barrels of storage capacity, and an export terminal on the Houston Ship Channel. Enterprise is currently expanding PGP refrigeration facilities at the terminal, which will enable the company to load more than 5,000 barrels per hour of PGP, as well as co-load PGP and LPG on very large gas carriers.

Enterprise's Mont Belvieu NGL fractionation and storage system supporting PDH 2 currently has 760,000 BPD of NGL fractionation capacity, with another 300,000 BPD under construction. In addition, these complexes have more than 100 million barrels of NGL and petrochemical storage, providing unparalleled reliability and flexibility. The integration of the PDH 1 and PDH 2 plants with Enterprise's propylene fractionation facilities provides operational flexibility for both processes, and a combined PGP supply of more than nine billion pounds per year.

Construction of PDH 2 is expected to provide approximately 1,500 to 2,000 jobs, which will further support economic activity in the greater Mont Belvieu and Baytown area.

Enterprise Products Partners L.P. is one of the largest publicly traded partnerships and a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, refined products and petrochemicals. Our services include: natural gas gathering, treating, processing, transportation and storage; NGL transportation, fractionation, storage and import and export terminals; crude oil gathering, transportation, storage and terminals; petrochemical and refined products transportation, storage and terminals; and a marine transportation business that operates primarily on the United States inland and Intracoastal Waterway systems. The partnership's assets currently include approximately 50,000 miles of pipelines; 260 million barrels of storage capacity for NGLs, crude oil, petrochemicals and refined products; and 14 billion cubic feet of natural gas storage capacity.

About LyondellBasell

LyondellBasell (NYSE: LYB) is one of the largest plastics, chemicals and refining companies in the world. Driven by its employees around the globe, LyondellBasell produces materials and products that are key to advancing solutions to modern challenges like enhancing food safety through lightweight and flexible packaging, protecting the purity of water supplies through stronger and more versatile pipes, improving the safety, comfort and fuel efficiency of many of the cars and trucks on the road, and ensuring the safe and effective functionality in electronics and appliances. LyondellBasell sells products into more than 100 countries and is the world's largest producer of polymer compounds and the largest licensor of polyolefin technologies. In 2019, LyondellBasell was named to Fortune magazine's list of the "World's Most Admired Companies." More information about LyondellBasell can be found at www.LyondellBasell.com.

This press release includes "forward-looking statements" as defined by the Securities and Exchange Commission. All statements, other than statements of historical fact, included herein that address activities, events, developments or transactions that Enterprise, its general partner and LyondellBasell expect, believe or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from expectations, including required approvals by regulatory agencies, the possibility that the anticipated benefits from such activities, events, developments or transactions cannot be fully realized, the possibility that costs or difficulties related thereto will be greater than expected, the impact of competition, and other risk factors included in Enterprise's and LyondellBasell's reports filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. Except as required by law, Enterprise and LyondellBasell do not intend to update or revise their forward-looking statements, whether as a result of new information, future events or otherwise.

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