



Dow and Saudi Aramco Announce Joint Venture to Drive Downstream Growth through World-Scale Chemicals Project

*“Sadara” will enable growth capture in
high-value specialty markets and emerging regions*

MIDLAND, MICHIGAN, USA and DHAHRAN, SAUDI ARABIA, July 25, 2011 – The Dow Chemical Company (NYSE: DOW) and the Saudi Arabian Oil Company (Saudi Aramco) today announced that the Boards of Directors of both companies have approved the formation of a joint venture (JV) to build and operate a world-scale, fully integrated chemicals complex in Jubail Industrial City, Kingdom of Saudi Arabia.

The authorization for the new joint venture, named “Sadara Chemical Company”, comes after an extensive project feasibility study and front-end engineering and design effort which began in 2007.

Comprised of 26 manufacturing units building on Saudi Aramco’s project management and execution expertise, and utilizing many of Dow’s industry leading technologies, the complex will be one of the world’s largest integrated chemical facilities, and the largest ever built in one single phase. The complex will possess flexible cracking capabilities and will produce over 3 million metric tons of high value-added chemical products and performance plastics, capitalizing on rapidly growing markets in energy, transportation, infrastructure and consumer products.

Construction will begin immediately and the first production units will come on line in the second half of 2015, with all units expected to be up and running in 2016. Once operational, Sadara is expected to deliver annual revenues of approximately \$10 billion within a few years of operation and generate thousands of direct and indirect employment opportunities through the complex and related investments in downstream value parks.

“Today’s announcement is outstanding proof of Dow’s ongoing commitment to our growth strategy,” said Andrew N. Liveris, Dow’s chairman and chief executive officer. “This premier partnership is the right economic ownership model with the right partner. It is designed to capture growth in the rapidly growing sectors of energy, transportation and infrastructure, and consumer products by creating a manufacturing hub that will provide a differentiated product slate and an advantaged cost position.”

Liveris added, “We are bringing the best of Dow’s technology-differentiated and globally leading products to Sadara. Customers in emerging geographies such as China, the Middle East, Eastern Europe and Africa will benefit from a strong supplier with feedstock integration, in-

market commercial and supply capabilities, advanced technologies and resources to grow with their demand. Taken together, Sadara will deliver significant new equity earnings to Dow.”

Total investment for the project, including third party investments, will be approximately \$20 billion. Sadara will become an equal joint venture between Saudi Aramco and Dow after an initial public offering. In addition to equity from the partners, Export Credit Agencies and financial institutions will provide project financing to Sadara.

Khalid Al-Falih, president and CEO of Saudi Aramco, said, “This project represents a key milestone in Saudi Aramco’s ambitious downstream growth strategy. We are pleased to have Dow as our partner, as they bring a fantastic record of success in the chemicals business and a top tier brand to the project. Dow also brings a superior mix of downstream product technologies, and world-class operational and marketing capabilities to the Sadara joint venture. These will complement the strengths of Saudi Aramco as the world’s largest integrated and most reliable supplier of energy and petroleum-based derivative products.”

Al-Falih explained, “Many of Sadara’s products will be produced for the very first time in Saudi Arabia. This enterprise will play a key role in the Kingdom’s industrial and economic diversification while contributing to the creation of thousands of high quality jobs. It will enable significant development in the country’s conversion industry, thereby supporting Saudi Arabia’s ambition to be a magnet for downstream manufacturing investments that add significant value to the Kingdom’s hydrocarbon resources.”

The complex will include a world scale cracker that will be able to crack a wide range of feedstocks and be supplied by Saudi Aramco’s extensive integrated hydrocarbon infrastructure. Utilizing Dow’s state of the art product technologies and Saudi Aramco’s project management and execution capabilities, the manufacturing units will produce a wide range of performance products such as Polyurethanes (isocyanates, polyether polyols), Propylene Oxide, Propylene Glycol, Elastomers, Linear Low Density Polyethylene, Low Density Polyethylene, Glycol Ethers and Amines.

Sadara will have responsibility for product marketing within a local zone of eight countries. Dow will market and sell on behalf of Sadara to all countries outside of the Middle East zone.

Jubail Industrial City is the largest industrial complex of its kind in the world. It is located in the Eastern Province of the Kingdom of Saudi Arabia, approximately 100 kilometers northwest of Dammam.

Investor and Analyst Presentation & Webcast

Dow will host a meeting with the investment community today, Monday, July 25, at 10:00am ET to discuss the joint venture and other matters. The meeting will also be available via webcast and teleconference. To access the live webcast, visit Dow’s website at www.dow.com and click on the webcast icon, registering at least 15 minutes before the event is scheduled to begin. If you would prefer to participate via phone, please dial +1 719-457-2604 (conference title: Dow

Chemical 7/25 Conference Call). The accompanying slide presentation will be available for download on www.dow.com just prior to the start of the meeting.

About Dow

Dow combines the power of science and technology with the “Human Element” to passionately innovate what is essential to human progress. The Company connects chemistry and innovation with the principles of sustainability to help address many of the world’s most challenging problems such as the need for clean water, renewable energy generation and conservation, and increasing agricultural productivity. Dow’s diversified industry-leading portfolio of specialty chemical, advanced materials, agrosiences and plastics businesses delivers a broad range of technology-based products and solutions to customers in approximately 160 countries and in high growth sectors such as electronics, water, energy, coatings and agriculture. In 2010, Dow had annual sales of \$53.7 billion and employed approximately 50,000 people worldwide. The Company’s more than 5,000 products are manufactured at 188 sites in 35 countries across the globe. References to "Dow" or the "Company" mean The Dow Chemical Company and its consolidated subsidiaries unless otherwise expressly noted. More information about Dow can be found at www.dow.com.

About Saudi Aramco

Owned by the Saudi Arabian Government, Saudi Aramco is a fully-integrated, global petroleum enterprise, and a world leader in exploration and producing, refining, distribution, shipping and marketing. The company manages proven reserves of 260.1 billion barrels of oil and manages the fourth-largest gas reserves in the world, 279 trillion cubic feet. In addition to its headquarters in Dhahran, Saudi Arabia, Saudi Aramco has affiliates, joint ventures and subsidiary offices in China, India, Japan, the Netherlands, the Republic of Korea, Singapore, the United Arab Emirates, the United Kingdom and the United States. For more information, go to www.saudiaramco.com