

BASF continues to evaluate natural gas-based investment on the U.S. Gulf Coast

Some Comments: This project (that is not yet confirmed from BASF management) could strengthen BASF upstream integration in low price propylene from the Methanol to Propylene technology.

The Freeport Texas BASF acrylic plant is supplied by the BASF Port Arthur steam cracker.

"In 2013, BASF completed the revamp of the Port Arthur cracker that enabled the facility to take advantage the shale gas revolution by using lighter feedstocks, mainly ethane and butane, instead of naphtha. This resulted in a small increase in the ethylene capacity but left the propylene coproduct capacity unchanged, as lighter feedstocks yielded less propylene than naphtha" (Source: SRI Propylene CEH report 2015-02)

The Methanol to Propylene project aims to fill the propylene gap with a focus on BASF captive use (No more propylene merchant sales)

BASF communication about the Methanol to Propylene investment in the US:

BASF continues to evaluate natural gas-based investment on the U.S. Gulf Coast:

- Freeport, Texas, selected as potential site for world-scale, methane-based propylene complex
- Air Liquide chosen as technology provider
- Stronger backward production integration in North America

Ludwigshafen, Germany – March 19, 2015 – BASF has made progress in its plans to build a world-scale methane-to-propylene complex on the U.S. Gulf Coast. The company has selected Freeport, Texas, as the potential site. It will use Air Liquide's proprietary Lurgi MegaMethanol and Methanol-to-Propylene (MTP) technologies. BASF has contracted Air Liquide to provide basic engineering services for this gas-to-propylene complex.

The plant is planned to have an annual production capacity of approximately 475,000 metric tons of propylene. This project would be BASF's largest single-plant investment to date and is subject to final approval in 2016 by the BASF Board of Executive Directors.

The Freeport site was founded in 1958 as the first BASF manufacturing facility outside of Europe. With more than 800 full-time employees, the Freeport site is one of two BASF Verbund sites in North America and uses propylene in its manufacturing processes. The on-purpose production of propylene to supply the company's North American operations would allow BASF to take advantage of low gas prices resulting from U.S. shale gas production. The investment would further strengthen BASF's backward integration into propylene and grow its propylene-based downstream activities, leading to a stronger market position in North America. Propylene is one of the most important basic chemicals in the petrochemical industry and is used in the production of a wide range of higher-value chemicals. These chemicals are used to manufacture products such as coatings, detergents, and superabsorbent polymers for baby diapers.

About BASF

At BASF, we create chemistry – and have been doing so for 150 years. Our portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. As the world's leading chemical company, we combine economic success with environmental protection and social responsibility. Through science and innovation, we enable our customers in nearly every industry to meet the current and future needs of society. Our products and solutions contribute to conserving resources, ensuring nutrition and improving quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF had sales of over €74 billion in 2014 and around 113,000 employees as of the end of the year. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information on BASF is available on the Internet at www.basf.com.

Source : BASF web site

Attachment(s)

- [US BASF Propylene project January 2015-64157.JPG](#)