



BP deepens strategic cooperation with Zhejiang Xin Feng Ming and licenses latest generation PTA technology

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BP and Xin Feng Ming Group Co., Ltd. (Xinfengming) entered an agreement to license BP's latest generation purified terephthalic acid (PTA) technology to Dushan Energy Ltd., a subsidiary of Xinfengming. BP and Xinfengming also signed a memorandum of understanding (MOU) to deepen strategic cooperation along the polyester raw materials value chain and Xinfengming intends to deploy BP technologies for all Xinfengming's future PTA and related investments.

Dushan Energy Ltd. intends to build a 2.2 million tonnes per annum unit at Dushan Port Economic Development Zone in Pinghu, Zhejiang province. At present, the basic design of the PTA unit has been completed and construction has started on the site. The project is expected to commence production in Q3 2019.

"We are delighted to provide our most advanced PTA technology to Xinfengming, one of the leading enterprises in China's chemical fibre industry," said Rita Griffin, chief operating officer, BP Petrochemicals. "Combining BP's technology and brand with Xinfengming's long experience in the China polyester industry we expect to pave a solid foundation for future collaboration and mutual development for both parties."

The MOU on strategic cooperation covers Xinfengming's further investments in PTA phase II utilizing BP's most advanced PTA technologies and related products. In addition, based on China's move towards products with improved environmental performance, BP and Xinfengming will jointly promote low-carbon products in China.

Zhuang Kunlong, chairman of the board of directors of Xinfengming, said, "We recognize the advantages of BP's cutting-edge PTA and related technology and its innovative capability in the polyester supply chain. We hope that working collaboratively with BP in these areas will further enhance Xinfengming's competitiveness in the polyester industry in the long run."

Based on internal comparisons of conventional PTA technology with BP's latest generation of PTA technology, there are significant reductions in both operational costs and capital costs, leading to high investment returns. BP's technology is also renowned for its significant environmental performance with several Chinese government awards granted since Zhuhai start-up in 2003. Through our research and development efforts, we introduced a latest generation PTA technology in our Zhuhai plant that delivered 65% fewer GHG emissions, 75% less water discharge and 95% less solid waste disposal in its manufacturing process than the manufacturing process for conventional PTA technology of the 1990s^[1].

“We are committed to supporting the sustainable development of China’s petrochemicals industry through our most advanced PTA technologies and expertise,” Dr. Xiaoping Yang, BP China president, added, “Through the MOU, BP and Xinfengming will jointly deliver high-quality products to customers.”

[1] Derived from BP’s internal analysis Evaluating Energy Processing Technology, conducted in 2016. Data in this internal analysis was derived from BP’s actual operating data from six of its PTA manufacturing facilities.

Notes to editors

- BP is one of the leading foreign investors in the Chinese oil and gas sector. BP’s business activities in China include oil and gas exploration and development, petrochemicals manufacturing and marketing, aviation fuel supply, oil products retailing, lubricants blending and marketing, oil and gas supply and trading, LNG terminal and trunk line operation and chemicals technology licensing. Building on its business successes in China, BP has also expanded partnerships with Chinese national energy companies internationally. Further information about BP China is available on www.bp.com.cn.
- Xin Feng Ming Group Co., Ltd. (Xinfengming), founded in 2000, produces polyester and filament, its main products are POY, FDY and DTY. Xinfengming now has a national Academician Workstation and provincial technology centre and more than 10 subsidiaries including Dushan Energy Ltd. With more than 8,000 employees, Xinfengming has reached 2.73 million filament production capacity, total asset of RMB 11,050,896,327 and sales volume at RMB 22,963,277,840. Further information about Xinfengming is available on www.xfmgroupp.com/.

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