



bp licenses its latest generation PTA technology to Dongying Weilian Chemical in China

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bp has entered into an agreement to license its latest generation technology for the production of purified terephthalic acid (PTA) to China's Dongying Weilian Chemical Co., Ltd.

Weilian Chemical is a subsidiary of Dongying United Petrochemical Co., Ltd, one of the leading manufacturers and distributors of petroleum and petrochemical products in China. Weilian Chemical intends to build a 2.5 million tonnes per annum PTA production unit at the Dongying Port Economic Development Zone in eastern Shandong province, adding to Dongying United Petrochemical's existing refineries and paraxylene (PX) facilities portfolio.

Weilian Chemical selected bp's proprietary PTA production technology for its new PTA unit after a competitive, global bidding process initiated in 2019. The design phase for the unit is underway and is expected to be completed during the first half of 2020. First production is anticipated by the second quarter of 2022.

"We are pleased to be able to provide bp's most advanced PTA technology, bpPTAg5, to Weilian Chemical, helping our partners to grow their business to meet the demand for high quality products with a lower carbon footprint. Together, we hope to lay strong foundations for future cooperation," said Rita Griffin, chief operating officer, bp Petrochemicals.

"Adding a PTA production facility is an important step for our company to accelerate industrial transformation, while improving quality and efficiency. We are delighted to work together with bp, providing us with leading technology and services. With bp's support, we believe our PTA project will start-up successfully, showcasing the fruitful cooperation between us," said Li Zhanchen, chairman of Dongying United Petrochemical Co., Ltd

The key characteristics of the technology licensed to Weilian Chemical have been proven at bp's Zhuhai plant in southern China, bp's largest PTA production facility worldwide so far. Based on internal comparisons with conventional PTA technology, there are significant reductions in both operational costs and capital costs, which should help achieve high investment returns. [1] The electricity generated by the Zhuhai plant from applying bp's technology is expected to result in a surplus that can be transmitted to the external power grid, supporting the energy needs of the local community. bp's anaerobic wastewater technology allows for increased treatment capacity, while its world-class compression process reduces land use. [2]

The Zhuhai plant and technology have also been recognized for environmental performance, receiving Chinese government award. In July 2019, the facility was named "Energy and Efficiency Front Runner" by the China Petroleum and Chemical Industry Federation and was ranked first in China for PTA manufacturing. [3]

China is the world's largest PTA producer, a key feedstock for the production of polyester plastics, and accounts for more than half of global production. [4]

“This new cooperation with Weilian Chemical is our third PTA licensing project in China, following the successful start-up of the Xin Feng Ming Group project. We are proud to continue helping our partners to manufacture products with a lower carbon footprint than conventional PTA technology, while supporting China’s long-term sustainable industrial development,” Xiaoping Yang, bp China president, added.

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.

2. Plot plan efficiency of Zhuhai PTA #3 is 94 kilo tonnes per square metre compared to 22 kilo tonnes per square metre for Zhuhai#1 PTA unit.

3. China Petroleum and Chemical Industry Federation, July 2019 list and indicators of energy efficiency ‘Front Runner’ of key energy-consuming products in the petroleum and chemical industry.

4. Source: IHS Markit

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
- Established in 2017, Dongying Weilian Chemical Co., Ltd. is a subsidiary of Dongying United Petrochemical Co., Ltd. Both enterprises are located in Dongying Port Economic Development Zone, with the aim to integrate the industrial value chain of crude oil, aromatics and polyester, driving the development of the regional petrochemical industry.
- In October 2019, Xin Feng Ming Group and bp marked the start-up of the Dushan Energy PTA project, the first 308 tonnes per hour plant to operate bp’s PTA technology.

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