

Momentive Specialty Chemicals Inc. Announces \$66 Million Formaldehyde Expansion In Geismar And Luling

New project in Ascension, St. Charles parishes to retain 55 jobs, result in more than 85 new direct and indirect jobs, along with 300 construction jobs

Article from Louisiana Economic Development

11.6.14

BATON ROUGE, La. – Today, Gov. Bobby Jindal and Executive Vice President Dale Plante of Momentive Specialty Chemicals Inc. announced the company will construct a new chemical production facility in St. Charles Parish and upgrade the plant it currently operates in Ascension Parish. The plant expansions, representing a capital investment of \$66 million, will increase Momentive's production of formaldehyde for use by nearby chemical plants in the manufacture of other products.

The project will retain 55 existing jobs at the Geismar, Louisiana, plant while creating 13 new direct jobs, with an average annual salary of \$82,300, plus benefits. Eight of the new jobs will be located at the new plant in Luling, Louisiana, and five of the new jobs will be in Geismar.

In addition, Louisiana Economic Development estimates the project will result in an estimated 74 new indirect jobs, for a total of more than 85 new jobs in the River Parishes. Plant construction at the two locations will result in an estimated 300 construction jobs.

Gov. Jindal said, "Momentive knows that Louisiana is a great place for doing business, and its past success here led the company not only to expand an existing plant but to build a

new one. By partnering with other manufacturing companies that will use its products, Momentive will invest \$66 million in capital improvements to generate quality jobs at two locations along the Mississippi River between Baton Rouge and New Orleans. Louisiana's industrial renaissance continues to contribute to the overall growth of our economy, and we now have more people working today in Louisiana, with greater opportunity, than ever before."

The Luling plant is expected to begin operations in the first quarter of 2016 and the Geismar plant expansion should come online in the fourth quarter of 2015. When completed, the plants will have the capacity to produce more than 400,000 metric tons of formaldehyde per year. Formaldehyde is used as a key additive and binding ingredient in the production of a wide variety of engineered wood products, such as oriented strand board, and in thousands of other chemicals and products, including herbicides and fungicides.

"As the global leader in formaldehyde and formaldehyde-based resins in the forest products industry, we are pleased to announce these strategic expansions as they significantly strengthen our presence in North America," said Plante, who also is president of Momentive's Forest Products Division. "The additional capacity, which is complementary to our existing integrated network of assets, will enable us to meet the anticipated growth in the Gulf Coast region for several significant and longtime customers. We also appreciated the opportunity to partner with Louisiana Economic Development throughout the expansion planning process. LED was successful in fostering an attractive climate to expand through its incentives, which helped us make the decision to expand in the state."

LED began formal discussions about the project with Momentive in January 2014. To secure the project, the State of Louisiana offered Momentive a Modernization Tax Credit of \$350,000, to be claimed over five years. The company also is expected to

utilize Louisiana's Quality Jobs and Industrial Tax Exemption programs as it hires employees and places the capital projects into service.

Momentive's new plant in Luling will serve the adjacent Monsanto Company chemical plant by providing formaldehyde through a direct pipeline into the Monsanto complex.

"We are thrilled about this expansion and to continue sustainably producing and supplying innovative products that help farmers," said Matt Ward, Monsanto's Luling plant manager.

"It is an encouraging sign to continue to see growth in high-paying jobs in St. Charles Parish, adding to our already robust market," St. Charles Parish President V.J. St. Pierre Jr. said about the Luling project. "By utilizing space at an existing facility, this project will add economic opportunities, tax revenue and long-term viability for the Monsanto site without encroaching on surrounding residents and businesses."

"Greater New Orleans Inc. is pleased to welcome Momentive Specialty Chemicals to the region," GNO Inc. President and CEO Michael Hecht said. "Momentive Specialty Chemicals' decision to invest in the Southeast Super Region underscores that Louisiana's combination of logistics and business climate make it a top location for industrial projects."

The expanded plant at Geismar also will have a direct pipeline delivery system into the adjacent manufacturing sites of BASF Corp. and Huntsman Corp.

"We are delighted to learn of Momentive's plans to increase their employment and investment at their Geismar site," Ascension Parish President Tommy Martinez said. "Momentive's expansion is the latest example of economic development coming from within our existing base of employers. In the last 10 years, 80 percent of the capital investment in Ascension

Parish and 52 percent of the new jobs have been generated by our existing corporate citizens.”

Baton Rouge Area Chamber President and CEO Adam Knapp added, “Momentive Specialty Chemicals’ expansion in Geismar and construction of a new facility in Luling exemplify the collective efforts of the Southeast Super Region, representing the Baton Rouge and New Orleans areas together. The company’s selection of our region as a viable place to do business is testament to our strength and overall competitiveness in manufacturing.”

About Momentive Specialty Chemicals

Based in Columbus, Ohio, Momentive Specialty Chemicals Inc. (formerly known as Hexion Specialty Chemicals Inc.) is the global leader in thermoset resins. Momentive Specialty Chemicals serves the global wood and industrial markets through a broad range of thermoset technologies, specialty products and technical support for customers in a diverse range of applications and industries. For more information, visit www.momentive.com.