

Shell Chemical Announces \$717 Million Olefins Expansion in Louisiana

11.30.2015 – LED Press Release

GEISMAR, La. – Today, Gov. Bobby Jindal and Shell Geismar General Manager Rhoman Hardy announced Shell Chemical LP will develop a new linear alpha olefins manufacturing unit at the company's Ascension Parish complex. The project will include a \$717 million capital investment and create 20 new direct jobs, with an average annual salary of \$104,000, plus benefits, while retaining 650 existing jobs at Shell Geismar. In addition, Louisiana Economic Development estimates the project will result in 93 new indirect jobs, for a total of more than 110 new jobs in the Capital Region and surrounding areas. The company estimates the project will generate 1,000 construction jobs at peak building activity.

The manufacturing unit will produce alpha olefins, chemicals that are used to produce a variety of consumer and industrial products including plastics, synthetic lubricants, drilling fluids and household detergents. The linear alpha olefins unit will generate 425 kilotons per year, making Shell Geismar the largest alpha olefins production site in the world. Construction will begin during the first quarter of 2016, and the unit is expected to begin operations in 2018.

Gov. Jindal said, "Over the past half-century, Shell Chemical in Geismar has amassed an impressive track record of providing quality jobs in the production of chemicals for consumer and industrial uses across our economy. We are proud to see Shell Chemical build on that success with the addition of yet another alpha olefins unit. This \$717 million project reflects the best of our efforts to make Louisiana's business climate one of the best in the country and around the globe."

The Ascension Parish project will be the fourth alpha olefins unit at Shell Chemical's Geismar plant, which has been in operation since 1967.

"This expansion project is great news for Shell's Geismar site and the region," Hardy said. "We are now focused on the safe and efficient integration of this high-value project into the plant's day-to-day operations. Shell remains a vital economic engine in this region, and a good corporate neighbor for years to come."

The alpha olefins unit will be constructed within the 800-acre Shell Geismar site. The plant is located at River Road and Louisiana 3251, on the east bank of the Mississippi River.

"We are extremely pleased about Shell Chemical's commitment to continue to grow its Ascension Parish assets," Ascension Parish President Tommy Martinez said. "Shell Chemical is one of Ascension's best corporate citizens. We not only appreciate the jobs it provides but also the corporate support and volunteer spirit of its employees."

LED began discussing a potential project with the company in November 2013. To secure the project, the state offered a competitive incentive package that includes the comprehensive solutions of LED FastStart® – the nation's No. 1 state workforce development program. In addition, the company is expected to utilize Louisiana's Enterprise Zone and Industrial Tax Exemption programs.

"We know that Shell Chemical had several choices as to where to site this new project," said President and CEO Mike Eades of the Ascension Economic Development Corp. "We are grateful for its ongoing faith in the Geismar site and the employees there."

"Shell Chemical's expansion is illustrative of the vibrancy of the regional economy, as well as the continued strength of the

petrochemical industry,” Baton Rouge Area Chamber President and CEO Adam Knapp said. “BRAC has worked closely with Shell over the years and the company continues to serve as a good corporate citizen, employing more than 700 within the region.”

About Shell Chemical LP

With major manufacturing facilities around the world, the companies that make up Shell Chemical number among the world’s largest petrochemical operations. The group of companies focuses on the production of bulk petrochemicals and their delivery to large industrial customers who, in turn, use them to make many of the modern world’s essential materials. The Shell Group’s chemical business operations in the U.S. are performed through Shell Chemical LP, which is one of nearly 70 companies engaged in chemicals businesses for the Shell Group. For more information, visit [Shell.us](https://www.shell.us).