

Media Release

30 January 2020

Qenos Extends Botany Ethane Feedstock Contract with Santos and Beach Energy

Qenos today announced that it has secured a six year contract extension for the supply of ethane gas to its manufacturing facility in Botany, New South Wales through to 31 December 2025. Under this agreement, Santos and Beach Energy will supply an estimated 87 petajoules to Qenos, supporting more than 500 jobs directly associated with its Botany operations.

Ethane supply from the Cooper Basin joint venture, which commenced in 1996, is an essential raw material feedstock used by Qenos' Botany operations to make an extensive range of polyethylene products, which are then sold to Australian and overseas manufacturers for conversion into a wide variety of household products and industrial applications.

Qenos Chief Executive Officer Stephen Bell said, "This extension of our Botany ethane supply agreement is a key step towards ensuring that Qenos continues to play an important role in adding value to Australia's natural resources, as well as contributing to the Australian economy and providing significant direct and indirect employment in the chemistry sector."

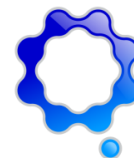
Mr Bell acknowledged the support from both Santos and Beach Energy to extend the supply of ethane gas for Qenos' Botany operations. He added, "I am very appreciative of both Santos and Beach Energy for recognising the importance of supplying Qenos as a domestic manufacturer, and the role it plays as a cornerstone of Australia's \$38 billion chemical industry supporting over 200,000 jobs."

However, Mr Bell also highlighted that the current East Coast gas market still needs fixing to bring more gas to market and reduce domestic gas prices.

"Whilst this extended ethane supply agreement provides the opportunity for us to operate our Botany facility on a more solid footing, this doesn't mean the East Coast gas problem is solved. The significant challenge still remains for Qenos to also secure the supply of 42 petajoules of natural gas at a sustainable price over the same period to underpin our manufacturing operations in both New South Wales and Victoria. This reinforces the need to develop projects like Narrabri in order to bring more gas to the domestic market as soon as possible", said Mr Bell.

Qenos is Australia's only manufacturer of polyethylene and leading supplier of polymers with operations in Altona (Victoria) and Botany (New South Wales).

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About Qenos

As Australia's only manufacturer and leading marketer of polyethylene, Qenos adds value to Australia's oil and gas reserves through conversion into high value petrochemicals and polymers that are used by hundreds of companies in the downstream Australian plastics industry. The final products are used in a myriad of applications, including the key packaging, agriculture, automotive, water, mining and waste management industries making Qenos a vital link in the Australian manufacturing chain. With manufacturing sites in Victoria and New South Wales, Qenos has approximately 1000 employees and contractors with annual revenue of \$750m.

Qenos is a subsidiary of China National Bluestar (Group) Co. Ltd which is owned by China National Chemical Corporation (ChemChina). ChemChina is a state owned enterprise and global Fortune 500 company that is rapidly growing both within China and internationally, employing more than 160,000 people and with revenue over US\$60 billion.

As part of the Qenos vision to be a leading business in the manufacture, distribution and trading of polymers and advanced chemicals, Qenos has introduced a new market channel, eXsource. The Qenos and eXsource eCommerce platform gives customers access to a wide range of imported polymers manufactured by Qenos, LyondellBasell, Bluestar and others.

To learn more about Qenos visit www.qenos.com