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Mitsui Chemicals HDPE Process Licensed to India's GAIL

Japan's Mitsui Chemicals, Inc. (MCI) has licensed its proprietary high density polyethylene (HDPE) process technology to India's GAIL (India) Limited (GAIL) for application to GAIL's No. 2 HDPE Plant at Pata, Uttar Pradesh, northern India, MCI announced today. The agreement which was signed at the end of June 2004 became effective recently upon approval by the Indian government.

Completion of the licensed HDPE plant with a design capacity of 100,000 ton/yr is expected in 2006. HDPE is a plastic used for applications such as packaging, pipes and daily household products.

Headquartered in New Delhi with a head-count of some 3,500 employees, GAIL is a natural gas public corporation established by the Indian government in 1984 with a capital of approximately 8.5 billion Rupees (ca. 197.2 million US \$). The company engages in the manufacture and sale of gas and petrochemical products with annual sales of some 120 billion Rupees (ca. 2,783.9 million US \$). GAIL's current production capacities are: No. 1 HDPE: 100,000 ton/yr, Gas separation: 400, 000 ton/yr, Ethylene: 300,000 ton/yr and HDPE/LLDPE (linear low density polyethylene): 160,000 ton/yr.

GAIL moved into petrochemical business since the foundation of its natural gas-based petrochemical complex in Pata, Uttar Pradesh in 1993. Its No. 1 HDPE Plant constructed at Pata under technology previously licensed from MCI continues to undergo steady operation. GAIL's decision to adopt MCI's technology again for its No. 2 HDPE was based on the company's high regard for the outstanding performance of MCI process technology demonstrated by the No.1 Plant, MCI's adequate follow-up technical service as well as the excellent performance of the advanced Ziegler catalyst developed by MCI.

For MCI who is world-renowned for its HDPE marketed under the trade name "HI-ZEX," this is the third HDPE process license it has granted to India, following the licenses to GAIL for its No.1 Plant in 1993 and to Haldia Petrochemicals Ltd. in 1996. Also, MCI's total number of its HDPE process license will reach 41 lines world-wide, including the license agreement with GAIL this time, with the cumulative licensed capacity exceeding 4.5 million ton/yr.

With its proprietary polyolefins manufacturing technologies being highly appreciated worldwide for their extremely high standards, MCI intends to continue actively developing its technology licensing opportunities by fully leveraging its abundant licensing experience and know-how with the entire world in sight.

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