

Alpek joint-venture, CC Polymers, has completed the acquisition of the Corpus Christi Project

San Pedro Garza Garcia, Nuevo Leon, Mexico. December 28, 2018 – Alpek, S.A.B. de C.V. (“Alpek”) announced today that Corpus Christi Polymers LLC (“CC Polymers”), a joint venture among certain subsidiaries of Alpek, Indorama Ventures Holding (“Indorama”), and Far Eastern Investment (Holding) Limited (“Far Eastern”), has successfully completed the previously announced acquisition of the Corpus Christi Project from M&G USA Corp. and its affiliated debtors (“M&G”) for an aggregate amount of U.S. \$1.199 billion in cash and other capital contributions.

The Corpus Christi Project assets include the integrated PTA-PET plant under construction in Corpus Christi, Texas, certain M&G intellectual property, and a desalination/boiler plant providing water and steam to the site. When completed, the Corpus Christi plant is expected to have a nominal capacity of 1.1 million and 1.3 million metric tons per year of PET and PTA, respectively.

Following the acquisition of the Corpus Christi Project, and pursuant to the terms of CC Polymers (JV):

- Alpek, Indorama, and Far Eastern will provide resources to CC Polymers to complete the project in the most efficient and cost effective way. A timeline and estimated investment for the project’s completion will be provided at a later stage.
- Alpek, Indorama and Far Eastern will each have the right to receive one third of the capacity of PTA and PET produced at the Corpus Christi Project upon completion. Also, each party will independently procure its raw materials and will independently sell and distribute their corresponding PTA and PET, among other rights and obligations.

Alpek made total contributions of U.S. \$266 million in cash and U.S. \$133 million non-cash for the closing of the transaction. Alpek’s non-cash contribution is associated to a portion of its secured claim with M&G, arising under the Corpus Christi Capacity Reservation Agreement (“2L Claim”). Alpek will also obtain U.S. \$67 million in cash for the remainder of its 2L Claim, subject to certain conditions.

About Alpek:

Alpek is a leading petrochemical company operating two business segments: “Polyester” (PTA, PET and polyester fibers), and “Plastics & Chemicals” (polypropylene, expandable polystyrene, caprolactam, and other specialty and industrial chemicals). Alpek is an integrated producer of PTA and PET in North America, the largest expandable polystyrene manufacturer in the Americas, and the only producer of caprolactam in Mexico. Alpek also operates one of the largest polypropylene facilities in North America. In 2017, Alpek reported revenues of U.S. \$5.2 billion and EBITDA of U.S. \$384 million. The Company operates 26 plants in the United States, Mexico, Canada, Brazil, Argentina and Chile, and employs more than 5,900 people. Alpek is a publicly traded company listed on the Mexican Stock Exchange.

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