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## Chevron Phillips Chemical Advances Plans for USGC Petrochemicals Project

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THE WOODLANDS, Texas (Dec. 14, 2011) – Chevron Phillips Chemical Company LP (Chevron Phillips Chemical) announced today that it has completed several key elements of the feasibility study announced earlier this year and plans to pursue a project to construct a world-scale ethane cracker and ethylene derivatives facilities in the U.S. Gulf Coast region.

Chevron Phillips Chemical's existing Cedar Bayou facility in Baytown, Texas, would be the location of the new ethylene unit. The company has executed agreements with Shaw Energy and Chemicals to design a 1.5 million metric tons/year (3.3 billion pounds/year) ethane cracker utilizing proprietary Shaw technology.

Chevron Phillips Chemical's proprietary technologies would be utilized for the construction of two new polyethylene facilities, each with an annual capacity of 500,000 metric tons (1.1 billion pounds). The new polyethylene units would be located either at the Cedar Bayou facility or a site nearby the Chevron Phillips Chemical Sweeny facility in Old Ocean, Texas. A final site selection decision for these units is anticipated during the first quarter of 2012.

Peter L. Cella, president and chief executive officer, discussed the study's findings during a presentation today at the Gulf Petrochemicals and Chemicals Association (GPCA) conference in Dubai, United Arab Emirates. He also announced that the Environmental Protection Agency (EPA) greenhouse gas and Texas Commission on Environmental Quality (TCEQ) air permit applications for the new cracker would be filed this week. Cella indicated that the project is on track for final approvals in 2013.

"The owners and management of Chevron Phillips Chemical are pleased to have taken these critical steps, and believe that executing this project will benefit our customers, suppliers, local communities and existing and future employees," said Cella. "It is our opinion that this project offers unique advantages, including co-location of the cracker with our Cedar Bayou facility and other ancillary assets such as our broad feedstock and ethylene pipeline and storage cavern networks, proximity to the expanding natural gas liquids hub in Mont Belvieu and utilization of proprietary technology to meet the growing demand of our customers."

If approved, the USGC Petrochemicals Project is expected to create approximately 400 long-term direct jobs and 10,000 engineering and construction jobs. "We are pleased that the development of shale gas resources in the United States has set the stage for major petrochemical investment and job creation in our own backyard," said Cella.

The estimated completion date for the USGC Petrochemicals Project is 2017.

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