

P R E S S R E L E A S E



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GOVERNOR JINDAL AND SHANDONG YUHUANG CHEMICAL CHAIRMAN JINSHU WANG ANNOUNCED THE GROUNDBREAKING FOR A \$1.85 BILLION METHANOL PROJECT IN ST. JAMES PARISH

VACHERIE, La. — Today, Governor Bobby Jindal and Chairman Jinshu Wang of Shandong Yuhuang Chemical Co. Ltd. announced the start of construction for Yuhuang Chemical Inc.’s \$1.85 billion methanol complex. State, regional and local officials joined Chairman Wang, CEO Charlie Yao of Yuhuang Chemical Inc., the project team and visiting Chinese dignitaries formally broke ground on the first of three phases for the world-scale, methanol-manufacturing complex. The ceremonial groundbreaking event was followed by a reception for community members, invited guests, and federal, state and local officials at the St. Joseph Plantation in Vacherie, Louisiana.

Yuhuang Chemical Inc., a subsidiary of Shandong Yuhuang Chemical Co. Ltd., will develop the manufacturing complex along the Mississippi River in St. James Parish. The project represents the first major foreign direct investment in Louisiana by a Chinese company.

In July 2014, Yuhuang Chemical announced it will create 400 new direct jobs with an average annual salary of \$85,000, plus benefits. In addition, Louisiana Economic Development estimates the project will result in 2,365 new indirect jobs, for a total of more than 2,700 new jobs in the Southeast Region of Louisiana and surrounding areas of the state. As site development begins, the company estimates the project will generate 2,100 construction jobs at peak building activity. The first phase of the methanol project is predicted to begin operations by 2018.

Governor Jindal said, “More than ever before, Louisiana represents a state of true economic opportunity. We are proud of the policies we have implemented and the hard work we’ve performed to make Louisiana’s business climate one of the best in the U.S. and the world. Our reforms to the state’s workforce development system, governmental ethics laws, tax structure, education system and other arenas have produced a Louisiana we can truly be proud of, a more competitive state that has benefited our existing employers and workforce first and now is attracting global investment to our state in record numbers. We welcome Shandong Yuhuang Chemical and Yuhuang Chemical Inc. to our state, as we recognize that our joint efforts in St. James Parish will produce extraordinary economic benefits and a better way of life for Louisiana families for many generations to come.”

“The Port of South Louisiana, the largest tonnage port in the United States, welcomes Yuhuang Chemical to the port and the River Parishes,” said Port of South Louisiana Executive Director Paul Aucoin. “The port is pleased to have played a role in having Yuhuang choose St. James Parish. We look forward to working

with Chairman Jinshu Wang and CEO Charlie Yao and assisting the company in any way we can. We are fortunate to have a company that will bring to our area 400 new direct jobs with an average salary of \$85,000. The port congratulates Yuhuang for breaking ground on this \$1.85 billion project.”

One of China’s leading chemical companies, Shandong Yuhuang Chemical formed the Yuhuang Chemical subsidiary, which is making the company’s inaugural major U.S. investment. The company has licensed methanol technology from Air Liquide Global E&C Solutions and selected Amec Foster Wheeler as the engineering, procurement and construction contractor for the project following the completion of Yuhuang Chemical’s front-end engineering and design work in June 2015.

“Yuhuang Chemical Inc. selected Louisiana for our project for a number of reasons: Outstanding selection of greenfields for large development; working with the team at LED and the incentives the state offered; the supportive community in St. James Parish; and a business-friendly environment ultimately made our decision straightforward,” Yuhuang Chemical Inc. President and CEO Charlie Yao said. “The establishment of relationships in the communities in which we operate is important to myself and the YCI team. We want to be a good corporate citizen, a good neighbor, and a partner in the community. Our groundbreaking ceremony today is an important milestone for our company and the St. James community. YCI is committed to the development of a world-scale manufacturing complex in St. James Parish, and we look forward to a long business relationship with both the parish and the State of Louisiana.”

The company announced the project in July 2014, after which it purchased more than 1,300 acres next to the Plains All-American Pipeline terminal and finalized plans for the three-phase project. After the first methanol plant is completed, the company will executive its multiphase strategy and will develop two additional manufacturing projects on the property over the next 10 years. The company projects 50 percent of the methanol produced by the first phase will be sold to North American customers. The remaining 50 percent will be exported globally, where approximately 15 percent to 25 percent could be used by Shandong Yuhuang Chemical Co. Ltd. in China.

“Assisting our unemployed and under-employed residents of the community is a priority in St. James Parish,” Parish President Timmy Roussel said. “In the various meetings with Yuhuang Chemical representatives, it is our belief that they can help in providing a better lifestyle for many in St. James Parish. My administration will continue to take advantage of every opportunity available to improve life situations for it citizens. I am happy to be part of Yuhuang Chemical’s groundbreaking ceremony and in welcoming them to our parish. St. James Parish is a great place to live, work, play and grow.”

LED began discussing the potential project with Yuhuang Chemical in February 2014. To secure the project, Louisiana offered the company a competitive incentive package that includes two performance-based grants: \$9.5 million to be paid over five years beginning in 2017 to offset infrastructure costs of the project and \$1.75 million to be paid over 10 years to partially defray the costs of necessary riverfront access and development. In addition, the company will receive the comprehensive workforce solutions of LED FastStart®, ranked the No. 1 state workforce training program in the country, and Yuhuang Chemical also is expected to utilize the state’s Quality Jobs and Industrial Tax Exemption programs.

“Greater New Orleans Inc. is thrilled to help commemorate the initiation of Yuhuang Chemical’s world-class development in St. James Parish,” GNO Inc. President and CEO Michael Hecht said. “This project will provide over 2,700 total jobs to the region, and marks the first major investment by a mainland Chinese company in the history of Louisiana. We look forward to working with the outstanding Yuhuang Chemical team for years to come.”

About Shandong Yuhuang Chemical Co. Ltd.

Shandong Yuhuang Chemical (Group) Co. Ltd. (SYC) is a China-based petrochemical group of companies with total fixed assets of \$5 billion, 2014 sales over \$4.5 billion and more than 5,600 employees. The company ranks No. 432 among the leading 500 Chinese companies and No. 24 among China’s Top 25 chemical companies. Shandong Yuhuang produces and markets a range of chemicals, including propylene, isobutene, butadiene, isoprene, styrene, toluene and others. For more information, visit yuhuanghuagong.com.

About Yuhuang Chemical Inc.

The North American subsidiary of Shandong Yuhuang Chemical Co. Ltd., Yuhuang Chemical Inc. operates an administrative office in Houston and is developing its first major U.S. project in St. James Parish in Louisiana. The world-scale methanol project will entail three phases, with construction underway in September 2015. For more information, visit yuhuang-usa.com

About the Port of South Louisiana

The Port of South Louisiana is a 54-mile port district on the Mississippi River between New Orleans and Baton Rouge, encompassing the parishes of St. Charles, St. John and St. James. The facilities located within the port’s district consistently handle over a quarter billion short tons of cargo annually, ranking it the largest tonnage port district in the Western Hemisphere, the nation’s greatest grain exporter, and the number one energy transfer port in the United States. Along the 108 miles of deep-water frontage on both banks of the river there are seven grain transfer facilities, four major oil refineries, 11 petrochemical manufacturing facilities and several other facilities for a total of more than 50 piers and docks owned and operated by an impressive group of resident tenants such as ADM, ArcelorMittal, Dow, Cargill, DuPont, Motiva Enterprises, Marathon, Shell, Nucor Steel., Occidental, and Occidental Chemical To learn more visit our site at www.portsl.com and like us on [Facebook](https://www.facebook.com/portsl).

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