

Alpek announces Corpus Christi Polymers pre-construction period extended

Monterrey, N.L., Mexico. March 18th, 2020 – Alpek, S.A.B. de C.V. (“Alpek”) announced today that Corpus Christi Polymers LLC (“CCP”) has decided to extend its pre-construction period through the end of 2020. CCP is a joint venture among certain subsidiaries of Alpek, Indorama Ventures Holding (“Indorama”), and Far Eastern Investment (Holding) Limited (“Far Eastern”) created to acquire and complete construction of an integrated PTA-PET plant in Corpus Christi, Texas.

Ever since CCP acquired the assets from M&G, it has been working diligently on developing a plan that ensures the most cost-effective site construction. However, a rise in the region’s labor costs has significantly increased the most recent budget estimates.

Regarding the decision made by CCP and its Board of Managers, it is important to highlight the following:

- Alpek will not need to make any additional capital contributions during the extended pre-construction period
- CCP expects labor costs to improve as more skilled workers become available in the region
- The site will be properly preserved and maintained so the project can restart in the future
- The expected timeline to finalize construction will likely be extended by a similar time frame

“Alpek remains committed to CCP but must ensure the construction costs align with our business plan,” said José de Jesús Valdez, CEO at Alpek. “We believe by extending the pre-construction period, we will help optimize project costs and maximize returns to our shareholders”.

About Alpek:

Alpek is a leading petrochemical company operating two business segments: "Polyester" (PTA, PET, rPET, and polyester fibers), and "Plastics & Chemicals" (polypropylene, expandable polystyrene, caprolactam, and other specialty & industrial chemicals). Alpek is a leading producer of PTA and PET worldwide, one of the largest rPET producers in the Americas, the largest expandable polystyrene manufacturer in the Americas, and the only producer of polypropylene and caprolactam in Mexico. In 2019, Alpek reported revenues of U.S. \$6.2 billion and EBITDA of U.S. \$0.9 billion. The Company operates 28 plants in the United States, Mexico, Canada, Brazil, Argentina, Chile and the United Kingdom, and employs more than 6,000 people. Alpek is a publicly traded company listed on the Mexican Stock Exchange.

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