

## Heartland Site Chosen for Future Propane Processing Facility

### Pembina and Petrochemical Industries Company Announce Plans for Propane Processing Project

**Alberta's Industrial Heartland (April 12, 2016)** – A new propane processing facility in Alberta's Industrial Heartland could be operational by 2020. Alberta's abundance of cost-advantaged propane and the opportunity to add value to this resource has attracted investment interest by two major corporations.

Pembina Pipeline Corporation and Petrochemical Industries Company K.S.C. (PIC) announced that they are undertaking a feasibility study on a world-scale propane dehydrogenation (PDH) and polypropylene upgrading facility. The feasibility study is scheduled to take six months and will determine if the project is economically feasible. A final investment decision is expected as soon as mid-2017.

"Alberta has a major glut of cost-advantaged propane that requires access to global markets. Processing this propane right here in the province not only creates a market for it, but allows Alberta to gain the value of the processed product - polypropylene is worth six to eight times more than propane," explained Ed Gibbons, Chair of Alberta's Industrial Heartland Association. "We are excited that Pembina and PIC are pursuing this project and have determined their ideal site is in Alberta's Industrial Heartland."

The potential project would be located on land currently owned by Pembina in Strathcona County. Once operational, the facility could consume approximately 35,000 barrels per day of propane and produce up to 800,000 metric tonnes per year of polypropylene. The polypropylene could then be transported anywhere in the world in the form of pellets.

"This project potentially builds on both Pembina's position as the largest supplier to Alberta's existing petrochemical industry, as well as being one of Canada's leading energy infrastructure companies," said Mick Dilger, Pembina's President and Chief Executive Officer. "Developing this project represents another natural extension of our natural gas liquids value chain and is a logical step for additional seamless integration with our existing asset base."

In addition to a new source of tax revenue, projects like this create around 1,000 new construction jobs at peak, 100 full time operational jobs, as well as spinoff benefits in the supply and service sector. Given the province's need for a boost in employment and diversification, a propane processing facility would be a welcome addition to the value added sector.

"PIC is very excited to be evaluating the feasibility of the project," said Mohammed Abdullatif Al-Farhoud, PIC's Chief Executive Officer. "Alberta represents a very attractive market to develop large-scale petrochemical infrastructure, as it is supported by long-term feedstock security, a supportive local government and complements the existing asset base of a number of PIC's and related companies operating in Alberta. Moreover, this opportunity further supports PIC's continued efforts in expanding its business portfolio globally. PIC is always in search for exceptional investment and partnership opportunities, especially in the promising regions with advantageous feedstock and market."

Alberta's Industrial Heartland Association has a long history of encouraging diversification through further petrochemical processing. Recent investment attraction efforts have targeted both domestic and foreign companies who recognize the opportunity to add value to our natural resources within the province.

"I would also like to thank our partners at AIHA who helped make the initial introduction to PIC. Pembina has always enjoyed our partnership with AIHA and we look forward to continuing our relationship," concluded Dilger.

For more information on Pembina, visit [www.pembina.com](http://www.pembina.com). For more information and regular updates on Alberta's Industrial Heartland Association, visit [www.industrialheartland.com](http://www.industrialheartland.com) or follow @ABHeartland on Twitter.

*Alberta's Industrial Heartland Association is dedicated to coordinating, advocating, and promoting long-term sustainable development of Alberta's Industrial Heartland. The municipal partnership includes Lamont County, Strathcona County, Sturgeon County, and the Cities of Edmonton and Fort Saskatchewan.*

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