

December 22, 2006  
Mitsubishi Gas Chemical Co., Inc.  
Mitsubishi Corporation

### Expansion of Methanol-Producing Joint Venture in Venezuela

Mitsubishi Gas Chemical Co., Inc. (MGC) and Mitsubishi Corporation (MC) have decided to expand production capacity at Metanol de Oriente, METOR S.A. ("METOR"), a joint venture in Venezuela with state-owned petrochemicals company Pequiven. METOR is engaged in the production and sale of methanol, and the expansion involves the construction of a second plant with a production capacity of 850,000 tons a year. The new facility will be built adjacent to the current plant.

Receiving investment of approximately US\$400 million, METOR's production capacity will rise from the current level of 750,000 tons a year to 1.6 million tons a year. With construction to be finished in the second half of 2009, commercial production is expected to begin in the first quarter of 2010. Funding for the project has been arranged through a finance agreement involving the Japan Bank for International Cooperation, the International Finance Corporation, and commercial banks, with METOR concluding the finance agreement. The Bank of Tokyo-Mitsubishi UFJ, Ltd. is being employed as a financial advisor for the project and a construction contract for the plant on a full turnkey basis has been concluded with Mitsubishi Heavy Industries, Ltd.

Basic chemical products are contained in many downstream products and methanol is a basic chemical that is primarily used as a raw material in such products as formalin, acetic acid, polyacetal, and methyl methacrylate (MMA). In addition, a range of new applications for methanol is predicted to emerge in the future, including uses in biodiesel and as a raw material for dimethyl ether (DME) and a fuel for fuel cells. Current world demand for methanol is approximately 35 million tons, but with strong economic growth around the world, demand is expected to grow in Asia, especially in China. In the future, world demand for methanol is predicted to grow at an average rate of 3%.

Success in the methanol business is largely dependent on securing good access to natural gas resources. Currently, a shift in production is now underway, with established facilities closing in major markets like North America and Western Europe, and new facilities being operated in oil-producing countries in the Middle East and

South American. MGC and MC have moved to quickly develop business in both of these regions, and they have been producing methanol in Venezuela since 1994, taking advantage of highly competitive natural gas resources.

Through this investment, MGC and MC are striving to expand their sales to the world market, with a strong focus on the U.S., while also looking to elevate their presence in the methanol market.

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## Overview of the Joint Venture

1. Company name: Metanol de Oriente, METOR S.A. (METOR)
2. Location: Jose, Etado Anzoategui, Venezuela
3. Capital: \$US 136 million
4. Shareholding:

Pequiven	37.50%
Mitsubishi Gas Chemical	23.75%
Mitsubishi Corporation	23.75%
Polar	10.00%
IFC	5.00%

5. Production capacity: First phase plant: 2,000 tons/day (750,000 tons/year)  
Second phase plant: 2,500 tons/day (850,000 tons/year)
6. Production technology: Mitsubishi\* Methanol Process  
\*A joint processing technology possessed by Mitsubishi Gas Chemical and Mitsubishi Heavy Industries
7. Construction completed: Third quarter of 2009
8. Commercial production: From first quarter of 2010
9. Funding procurement: Finance by METOR largely centered on the Japan Bank for International Cooperation and the International Finance Corporation
10. Workforce: 157 employees (locally hired)