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Mitsubishi Gas Chemical Company, Inc.  
Mitsubishi Corporation

## **Second Plant at Venezuelan Methanol-Producing Joint Venture Starts Operation**

Mitsubishi Gas Chemical Co., Inc. (MGC) and Mitsubishi Corporation (MC) have started operation of the second plant at Metanol de Oriente, METOR S.A. ("METOR"), a venture for the production and sale of methanol that both companies founded jointly with the Venezuelan state-owned petrochemicals company Pequiven. The new METOR plant has an annual production capacity of 850,000 tons.

Following its decision on investment at the end of 2006, METOR began construction of the new plant, which was completed in spring 2010. After commissioning, the plant started commercial producing methanol in August. Enjoying generous support and high expectations from all those involved in the project, the plant increases METOR's annual production capacity from 750,000 tons to 1.6 million tons.

As a basic chemical used to produce many downstream products, methanol serves primarily as a raw material for chemicals such as formalin and acetic acid. In the future, methanol is expected to be applied to a range of new applications, including use in biodiesel and dimethyl ether (DME). World demand for methanol, now at approximately 42 million tons, will likely continue to grow by 4 to 5% annually.

Good access to competitive natural gas resources is a key to success in the methanol business. Methanol production has, therefore, been transferred to natural gas-producing countries in the Middle East and South America. MGC and MC started this shift early and developed operations in both of these regions. In Venezuela, both companies have been producing methanol since 1994.

Taking advantage of the increased production capacity, MGC and MC are striving to increase their sales in the world market for methanol with a main focus on the U.S., Europe, and South America, and strengthen their market presence even further.

Inquiries :

Mr. Shibata, Corporate Communications Division, Mitsubishi Gas Chemical Co., Inc.  
Tel : +81-3-3283-5041

Ms. Yoshida, Corporate Communication Department, Mitsubishi Corporation  
Tel : +81-3-3210-2511

## Overview of the Joint Venture

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

Pequiven	37.50%
MGC	23.75%
MC	23.75%
International Petrochemical Holdings Ltd.	10.00%
IFC	1.00%
Treasury shares	4.00%

5. Production Capacity : First phase plant : 2,200 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 Company, Inc.  
and Mitsubishi Heavy Industries, Ltd.
7. Funding procurement : Finance by METOR largely centered on the Japan Bank for  
International Cooperation and the International Finance Corporation.
8. Workforce : 210 employees (hired locally)