

**BRASKEM (Brazil) AND IDESA (Mexico) ANNOUNCE PARTNERSHIP
TO DEVELOP A LARGE PETROCHEMICAL PROJECT IN MEXICO**

Braskem and Idesa, traditional corporate groups in Brazil and Mexico, respectively, won the auction promoted by Pemex Gás, a state-owned company from Mexico, for the acquisition of raw materials with the objective of developing a large integrated petrochemical project in that country. The agreement will involve the supply of natural gas for 20 years in competitive conditions to be used as raw material in a cracker with the capacity for 1 million tons of ethylene per year, integrated with three polymerization units for producing 450 thousand tons of HDPE per year, 350 thousand tons of LLDPE per year and 200 thousand tons of LDPE per year.

The beginning of operations for the project is projected for 2015 and it will be located in the Coatzacoalcos Petrochemical Complex, in the Mexican state of Veracruz. It will be installed and operated by a joint venture to be formed with Braskem having majority and Idesa minority participation. The main objective will be to supply the domestic market in Mexico, which currently imports polyethylene.

Projected investments for installing the complex are initially projected to be US\$ 2.5 billion. Shareholders intend to make it through project financing with at least 70% of debt and the rest with their own capital.

"The new enterprise will have a global scale, the best technology available in the market and competitive access to raw material, characteristics that will ensure its high productivity and differentiation in relation to the Gulf of Mexico. The partnership with IDESA will decisively complement integration of the investment with Mexican clients and the Value Chain," says Bernardo Gradin, president of Braskem. "The project is perfectly aligned with the growth strategy through the diversification of competitive raw material sources, creation of value and internationalization of our company, which projects North America as an important platform for its growth," adds Gradin. The alliance between IDESA, PEMEX and BRASKEM will offer a solid base that will contribute towards development of the Mexican petrochemical industry.

Idesa has more than 50 years of experience in the Mexican market and an active presence in international markets. It is comprised of three business areas: petrochemical, distribution and construction systems, operating several production and commercial companies through strategic alliances of renowned prestige and market leaders. "Mexico offers a supply of raw materials, continuous growth of the

domestic market, excellent geographic location near the Gulf of the United States, highly qualified human capital and competitive labor costs. Our companies have experience in producing other petrochemical “commodities”. We are very satisfied in being able to make this important alliance with Braskem, since they can complement us with their vast experience and capacity to operate and sell polyethylene,” says José Luis Uriegas, president of the Idesa Group.

The realization of this project also consolidates the improved ties between Mexico and Brazil, whose bilateral trade balance more than doubled over the past 5 years, reaching US\$ 7.5 billion in 2008. As a member of the North American Free Trade Agreement – Nafta, Mexico provides its companies access, without barriers, to the American and Canadian markets.