

## **BNDESPAR OPTS TO EXCHANGE ODEBRECHT DEBENTURES FOR BRASKEM PNA SHARES**

*Interest of BNDESPAR in the capital stock of Braskem will increase from 3.7% to 7.4% and held by Odebrecht in Braskem from 38.1% to 44.4%*

Braskem announces the exercise by BNDESPAR of its option to exchange the non-convertible debentures of the second series issued by Odebrecht for Braskem class "A" preferred shares.

The debentures were issued by Odebrecht S.A., with maturity on July 31, 2007, in two series that were fully subscribed by BNDESPAR. Pursuant to the issue indenture, BNDESPAR has the option to exchange, by the maturity date, the second series of the debentures for Braskem class "A" preferred shares held by Odebrecht.

As a result of this exchange and the conversion by Odebrecht of the debentures issued by Braskem, as announced to the market on June 19, 2007, the interest of BNDESPAR in the capital stock of Braskem will increase from 3.7% to 7.4% and interest held by Odebrecht in Braskem will increase from 38.1% to 44.4%.

The exchange by BNDESPAR does not result in any additional issue of shares, and therefore does not alter the number of shares to be issued by Braskem as a result of the decision by Odebrecht to convert its debentures. The number of shares in Braskem to be issued is 77.5 million, comprising 25.8 million common shares and 51.7 million class "A" preferred shares, bringing the new total number of shares to 449.4 million, comprising 149.8 million common shares, 298.8 million class "A" preferred shares and 0.8 million class "B" preferred shares.

The free float of Braskem shares on July 31, 2007 will decline from 49% to 44.9%. According to Braskem CEO José Carlos Grubisich, "This decision demonstrates the confidence of Odebrecht and the Brazilian Development Bank (BNDES) in Brazil's petrochemical industry and particularly in Braskem's potential for value creation."

Braskem, a world-class Brazilian petrochemical company, is the leader in the thermoplastic resins segment in Latin America, and is the second largest Brazilian industrial company owned by the private sector. The company operates 18 manufacturing plants located throughout Brazil, and has an annual production capacity of more than 10 million tons of petrochemical and chemical products.

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