

Braskem acquires Quattor and prepares for international expansion

The integration will improve the company's competitiveness in global markets and consolidate its presence in the Americas

São Paulo, January 22, 2010 – Braskem announces that the negotiations for the acquisition of Quattor were concluded today, with the signing of an Investment Agreement by Odebrecht, Petrobras, Braskem and Unipar. The agreement will enable Petrobras to consolidate its main petrochemical assets in Braskem, which will remain a private-sector publicly traded company and improve its ability to compete globally.

The consolidation of these assets in Braskem will make it the largest petrochemical company in the Americas in terms of thermoplastic resin (PE, PP and PVC) production capacity, taking it to a new level in scale and efficiency to meet the challenges of the international market. With stock listed on three exchanges (BM&FBovespa, NYSE and Latibex), Braskem will have annual revenue of R\$26 billion (LTM Sep09). Integrating 1st and 2nd generation petrochemical activities, Braskem has 26 plants located in five states (São Paulo, Rio de Janeiro, Rio Grande do Sul, Bahia and Alagoas) with combined resin production capacity of 5.5 million tons/year.

"Consolidating the first and second generation petrochemical chains, which is capital intensive, creates the conditions needed for Brazil's petrochemical industry to play a leading role in thermoplastic resin production, which is one of the most challenging and competitive global industries. It also allows for obtaining the investment needed to accompany Brazil's economic growth," said Bernardo Gradin, Braskem's CEO. "Creating a company of global scope and vision is in line with Brazil's growing participation in the international market," he added.

The transaction is worth R\$700 million, which includes the amounts related to the acquisitions of Polibutenos and Unipar Comercial by Braskem, which will also assume Unipar's obligations with BNDESPar.

In addition, a Partnership Agreement signed by Petrobras, Odebrecht and Braskem gives Braskem first-refusal rights for participating as a partner in projects involving the Rio de Janeiro Petrochemical Complex (Comperj) and the Suape Petrochemical Complex in Pernambuco state. These projects, which are already being executed, will significantly increase Brazil's supply of basic petrochemicals and resins.

The transaction is expected to involve the following steps: (1) the creation of a holding company to which Odebrecht and Petrobras will transfer their shares

and carry out a capital increase of R\$3.5 billion; (2) next, a capital increase of R\$4.5 and R\$5 billion will be made at Braskem by its current shareholders, since Petrobras and Odebrecht participated in the new holding company through the R\$3.5 billion injection made in Step 1; (3) the acquisition by Braskem of the Quattor stock held by Unipar and of other equity interests held by Unipar, (4) the merger by Braskem of the stock in Quattor held by Petrobras.

The capital increase will strengthen Braskem's structure, giving it increased financial flexibility to continue its investment program and international expansion plans.

According to CEO Gradin, the resulting integration of modern and competitive plants and the synergies in terms of the better geographic diversification of production (units in five states) and raw material sourcing (naphtha, ethane, propane, refinery light hydrocarbons, refinery propylene and ethanol) will provide Braskem with gains in scale, flexibility and operational efficiency.

The Investment Agreement will be submitted for examination to the Administrative Council of Economic Defense (CADE), accompanied by the voluntary submittal of a Merger Reversal Agreement.

CEO Gradin said that Braskem will continue its international expansion plans, drawing on the company's vocation for growth and its capacity to invest and compete globally. "We expect to obtain benefits that will further strengthen our close relationships with customers, resulting from the increased integration of the production chain, better access to value-added services, innovative technologies and regular investment in research and development."

Braskem will maintain the highest standards of corporate governance in the international market, based on the transparency and independence of management, the pursuit of consistent results for shareholders, the commitment to improve the competitiveness of the production chain and fostering sustainable development.

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