



Formosa Plastics®

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# NEWS RELEASE

## FOR IMMEDIATE RELEASE

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### Formosa Plastics Signs Consent Agreement, Avoids Lengthy Litigation

*You expect more. And Formosa delivers.®*

**LIVINGSTON, NJ** (September 29, 2009) - Formosa Plastics Corporation, the U.S. Environmental Protection Agency (EPA) and the Department of Justice (DOJ) have jointly signed a Consent Agreement to resolve certain environmental issues at the company's production facilities in Baton Rouge, Louisiana and Point Comfort, Texas.

The agreement covers allegations following EPA's multi-media inspections conducted in late 2003 and early 2004. There was no evidence of any harm to human health or the environment. The agency has only recently issued the formal Notice of Complaint and many of the corrective actions were implemented immediately following those inspections. This agreement will not interrupt facility operations or production.

Resolution of these issues via this agreement is a part of a larger agency effort that's focused on the U.S. petroleum refining and petrochemical industries. About two-thirds of the other participants in our petrochemical industry sector have already signed agreements; the other third is currently in negotiations with the agency.

Formosa Plastics disputes many of the agency's allegations and regulatory interpretations, but desires to move forward rather than pursuing the matter through litigation; the decree specifically states that the company does not admit to any liability alleged in the complaint. While the agreement does specify a \$2.8 million monetary penalty, many of the agreed-upon additional environmental monitoring efforts (estimated to be about \$10 million over the next five years) go well beyond existing state and federal requirements. In addition:

1. The agencies did not require Formosa to install any additional pollution control equipment, nor conduct any supplemental environmental projects (SEPs).
2. The enhanced monitoring program will potentially reduce the annual volatile organic compound (VOC) air emissions from the two facilities by approximately 16 thousand pounds a year.

The penalty amount is in line with agreements that have been signed by the other companies in the industry.

"There were no significant environmental or health issues and the terms are in line with agreements signed by other similar industrial companies," said Randy Smith, Vice President and General Manager of the Point Comfort facility. "These sites' recent environmental initiatives, energy-efficiency awards, carbon footprint reductions and record-setting personnel safety performance all demonstrate an organizational culture that embraces exceptional environmental, health and safety achievement," added Robert Kelley, Vice President of Environment, Safety and Communications.

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Formosa Plastics Corporation, U.S.A. is a vertically integrated producer of plastic resins and chemicals. Its polyethylene and polypropylene resins are marketed under the *Formolene*<sup>®</sup> trade name; its polyvinyl chloride resins are marketed under the

*Formolon*<sup>®</sup> trade name. The company is headquartered in Livingston, NJ, has over 2,100 employees and is certified to the ISO 9001 quality management system and the ISO 14001 environmental management system. For more information, see [www.fpcusa.com](http://www.fpcusa.com).

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