

Fund Connell USA Energy Explores Plans for Large Methanol Production and Export Facility at Texas City, Texas

July 22, 2014 11:30 AM Eastern Daylight Time TEXAS CITY, TEXAS -- (BUSINESS WIRE)--

Fund Connell USA Energy and Chemical Investment Corporation announced today it is **exploring plans** to construct a large methanol production and export facility at Shoal Point, Texas City, (Galveston County) Texas. The announcement was made by the investment partners of Fund Energy, the investment division of Sino Life Insurance Company and the Connell Group both of China.



Fund Connell USA Energy and Chemical Investment Corporation announced today that it has initiated engineering pre-design and feasibility studies for this project with the goal of making a final investment location decision during the second quarter of 2015. The company also announced that it has secured the site at Shoal Point for assessment during this evaluation and due diligence period. If the final decision is made to invest at this site, Shoal Point would become home to one of the largest methanol manufacturing plants in the world as well as a new large deep sea marine export terminal. The company will immediately begin evaluation of the site as well as the permits required to operate the proposed facilities.

“The abundant sources of natural gas in the Gulf Coast region and the expansion of the Panama Canal in 2016 make this location attractive for the production and exporting of methanol in large quantities as feedstock for the growing petrochemical production capacity in China.”

Sinolife Chairman Mr. Zhang Jun

This facility at full capacity could produce up to 7.2 million tons of methanol annually for export to China in a new fleet of Post Panamax tankers. The methanol will be used by the investment partners for the production of plastics and other chemicals in facilities they currently operate and plan to build in China. (Details below) The total investment in the Texas City, TX site could be up to \$4.5 billion.

At full development, this proposed plant could convert up to 560 million cubic feet of natural gas daily into methanol. The proposed project would also include the construction of a new deep water port facility to service a dedicated fleet of 1000 foot long Post Panamax tankers to run a continual route from the Gulf of Mexico to China.

The proposed facility would be operated by Fund Connell (USA) Energy and Chemical Investment Corporation (a US corporation). The president of this corporation is Madam Zhiping Song. The principal investors are Sino Life Insurance Company (China) through their investment arm Fund Energy Investment Holdings Co. which focuses on energy and

petrochemical production and the Connell Group (Jilin, China). The investors are represented by the Chairman of the Board of Sino Life Mr. Zhang Jun and the President of the Connell Group Madam Zhiping Song.

With a successful final investment decision, the plant and export terminal could create up to 500 new permanent direct jobs at projected annual salary average of over \$70,000 per job depending on the final plant design plus as many as 200 new additional indirect and contract positions on the site. Construction jobs for a project of this size over a multiyear construction period would peak at over 1000 and could start as early as late 2015.



Galveston County Economic Alliance President/CEO Dr. C. B. Bix Rathburn states, ***“Shoal Point in Texas City is a large undeveloped site uniquely blessed***

with deep water access within a world class petrochemical complex to support the development of a substantial chemical or petrochemical manufacturing and export complex. The size of this site and the proximity to the open waters of the Gulf of Mexico make this site especially valuable for prospects interested in utilizing the capabilities of the expanded Panama Canal in 2016.”

The Galveston County Economic Alliance was established in 1998 to create opportunities for economic development through job creation/retention and capital investment across the various cities and communities in Galveston County. In addition, the Alliance is the home to the Galveston Country Small Business Development Center providing free training, counseling and other services critical to the success of new and established small business of all types.

For further information about this announcement or the Galveston County Economic Alliance programs or services please contact:

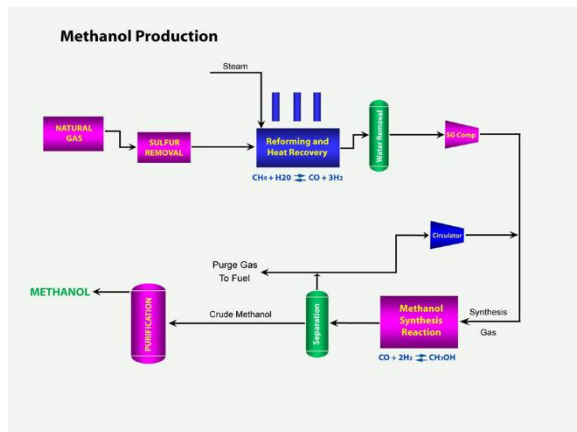
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Methanol Primer

What is Methanol? Methanol is a highly versatile chemical used as an intermediate in the manufacture of countless everyday products. These include adhesive resins for plywood and similar construction materials, polyester fibers and packaging, plastics, paints, coatings, fuels and fuel additives. As a primary alcohol, methanol is a basic building block for many other petrochemicals and products used in our everyday lives. Methanol is the simplest member of a group of organic chemicals called alcohols.



How is Methanol Made? In summary, methanol is made by mixing natural gas with steam, heating this to 900°C and passing the mixture over a nickel catalyst in a steam reformer. The gas/steam mixture is transformed to produce "synthesis gas" which is pressurized, converted to methanol over a copper catalyst and distilled to yield pure methanol.

Methanol as a Chemical Feedstock: Methanol is a key component of hundreds of chemicals that are integral parts of our daily lives. Methanol is most often converted into formaldehyde, acetic acid and olefins - all basic chemical building blocks for a number of common products such as:

Plastics	Solvents
Synthetic fibers	Carpeting
Paints	Insulation
Resins	Refrigerants
Magnetic film	Windshield washer fluid
Safety glass laminate	Particle board
Adhesives	Pigments and dyes

Methanol to Olefins: The Methanol to Hydrocarbons process is used to convert methanol to products such as olefins and gasoline. In the Methanol to Olefins (MTO) process, the methanol is then converted to olefins such as ethylene and propylene. The olefins can be reacted to produce polyolefins, which are used to make many plastic materials.

Other Uses for Methanol: To some, methanol is a fuel, to others a fuel additive, to still others a chemical feedstock, a solvent, a refrigerant, or a component of antifreeze. Emerging applications for methanol include its use as a hydrogen carrier for fuel cell technology applications, a denitrification agent for wastewater treatment, and as a turbine fuel for electric power generation.

Transportation Fuel - Methanol is the most basic alcohol. It is easy to transport, readily available, and has a high octane rating that allows for superior vehicle performance compared to gasoline. Many countries have adopted or are seeking to expand methanol fueling programs, and it is the fastest growing segment of the methanol marketplace today. This is driven in large part by methanol's low price compared to gasoline or ethanol, and the very small incremental

cost to modify current vehicles to run on blends of methanol fuel. **Methanol also produces much less toxic emissions than reformulated gasoline, with less particulate matter and smog forming emissions.**

Wastewater Denitrification - Methanol is also used by municipal and private wastewater treatment facilities to aid in the removal of nitrogen from effluent streams. As wastewater is collected in a treatment facility, it contains high levels of ammonia. Through a bacterial degradation process this ammonia is converted into nitrate. If discharged into the environment, the nutrient rich nitrate in sewage effluent can have a devastating effect on water ecosystems - creating miles long algae blooms that sap oxygen and sunlight from aquatic life. Methanol, which quickly biodegrades, is a cost-effective way to help revitalize waterways tainted by the effects of nitrates.

Fuel Cell Hydrogen Carrier - Methanol is used as a key component in the development of different types of fuel cells - which are quickly expanding to play a larger role in our energy economy. From large-scale fuel cells to power vehicles or provide back-up power to remote equipment, to portable fuel cells for electronics and personal use, methanol is an ideal hydrogen carrier. With a chemical formula of CH_3OH , has more hydrogen atoms in each gallon than any other liquid that is stable in normal conditions.

Biodiesel Transesterification - In the process of making biodiesel fuel, methanol is used as a key component in a process called transesterification - to put it simply, methanol is used to convert the triglycerides in different types of oils into usable biodiesel fuel. The transesterification process reacts methanol with the triglyceride oils contained in vegetable oils, animal fats, or recycled greases, forming fatty acid alkyl esters (biodiesel) and the byproduct glycerin. Biodiesel production continues to grow around the globe, with everything from large-scale commercial operations to smaller, backyard blenders mixing this environmentally-friendly fuel for everyday use in diesel engines.

Electricity Generation - Different companies are also exploring the use of methanol to drive turbines to create electricity. There are a number of projects currently underway that are using methanol as the fuel source to create steam to drive turbines.

Mr. Zhang Jun



Mr. Zhang Jun is the President of Board of Directors of Shenzhen Funde Holdings Group Co., Ltd., the Chairman of Board of Directors of Sino Life Insurance Co., Ltd. and also the Chairman of Board of Directors of Fund Energy Investment Holdings Co., Ltd. Mr. Zhang Jun is 51 years old and holds a bachelor degree.

Mr. Zhang Jun served as a director of Sino Life Insurance Co., Ltd during March 2002 to November 2006 and was selected as the vice chairman of Board of Directors of Sino Life Insurance Co., Ltd during November 2006 to August 2008.

Mr. Zhang Jun is a CPPCC member of Shenzhen, the vice chairman of Shenzhen Entrepreneur Association, the Permanent Honorary President of Shenzhen Chaoren Oversea Economic Promotion Commission, the Guest Professor of Peking University HSBC Business School, the Honorary Professor of Engineering College of Jilin University and also a council of Good Samaritan Foundation of Shenzhen.

Sino Life Insurance Co., Ltd.

Incorporated on March 4, 2002, Sino Life Insurance Co., Ltd. is a nationwide life insurance company in China currently headquartered in Shenzhen with total assets over 200 billion RMB Yuan making it one of the strongest insurance companies in China.



Sino Life has established a marketing network covering major provinces and cities in China with over 1000 branches employing 130,000 managers and salespersons providing risk management services for over 5 million customers with life insurance, accident insurance, health insurance and endowment insurance as well as investment services for their customers

Sino Life has won numerous business and industry awards such as "Top 500 Brands in Asia", "Top 10 Most Influential Brands in Chinese Life Insurance Industry", "The Fastest-Growing Insurer in China", "Top 10 Most Trusted Life Insurers", "Top 10 Most Credibly Brands in Asia" and "Top 10 Most Competitively Brands in Chinese Life Insurance Industry".

Madam Zhiping Song

President of Jilin Connell Group, CEO/Chairman of Connell Pharmaceutical Co., Ltd and CEO/Chairman Jilin Connell Chemical Industry Co., Ltd.



Mdm. Song is a private entrepreneur from Jilin City, China and has received numerous honors such a National Women Pacemaker, Jilin Province Excellent Enterpriser, The Top Ten Women Worthy and Top Ten Crackajack Enterpriser. Mdm. Song holds a Master's Degree from Jilin University in Economics.

She serves as a national Representative of Eleventh and Twelfth National People's Congress, Member of Standing Committee of Jilin Provincial People's Political Consultative Conference, Member of Jilin Provincial National People's Congress Standing Committee, Deputy Chairwoman of Jilin Provincial Federation of Commerce and Industry. She was also awarded the 2009 China National Ten Heroine, National May Day Labor Medalist and the National March Eight Red Banner Holder.

"I have run Connell Pharmaceutical Co for 19 years. We started with three people and now employ more than 2000 people in a diverse enterprise that includes foreign trade, industry equipment manufacturing, petrochemical and pharmaceutical. I take great pains to operate the pharmaceutical company, chemical equipment plant and chemical plant to the highest quality and safety standards. Over the next five years, our goal is to be the" pioneer of private enterprise" in the petrochemical and pharmaceutical industries."
Madam Zhiping Song, CEO of the Connell Group

Connell Pharmaceutical Co., Ltd

Located in the Jilin hi-tech development zone by Songhua River, Connell Pharmaceutical Co., Ltd is a hi-tech pharmaceutical enterprise combined with scientific research, production and



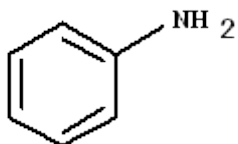
sales. The company covers an area of 50,000 square meters and owns fixed assets 210 million RMB with registered capital 50 million RMB. Connell has seven modern production lines operating under international standards, including infusion drugs, injection preparation, lyophilized powder, solid preparation, oral liquid and eye drops, etc. The annual production capacities include 200

million bottles of infusion drugs, 200 million injection preparations, 6 million lyophilized powder, 100 million oral liquid, 700 million troche, 300 million capsule, 30 million granules and 4 billion pills. The company produces over 186 different products. Connell has established a cooperative partnership with a number of university and research institutions such as Peking University, Shenyang Pharmaceutical University, Tianjin Institute of Pharmaceutical Research.

Jilin Connell Chemical Industry Co., Ltd



Jilin Connell Chemical Industry Co., Ltd. (for short Jilin Connell) was established in November 2006 with 5 hundred million registered capital, covering an area of 340,000 square meters, which is located in Jilin Economic & Technical Development Zone, with 980 employees including 17 senior engineers and 45 intermediate engineers. The Company has passed the "Quality Management System Certificate" (ISO9001), "Environment Management System Certificate" (ISO14001) etc., and acquired the awards of "Top 100 Private Companies", "2011 Top 500 Chinese Chemical Companies" etc.



Jilin Connell produces aniline, nitrobenzene, nitric acid and synthetic ammonia. Currently Jilin Connell has achieved the maximum production capacity; in this case Jilin Connell is ranked No.1 in Asia and No.2 on globe of the aniline producer and dealer (DuPont is No.1)

Jilin Connell is focused on safety and environmental protection using state of the art technology and process from America, Germany and around the world. The current product line is comprised of nitrobenzene, aniline, nitric acid and synthetic ammonia. Current expansion plans focus on the United States Gulf Coast and Europe.

Dow and Jilin Connell Sign LOI to Strengthen Integration of Dow's North American Polyurethanes Franchise

December 05, 2011

MIDLAND, Mich.--(BUSINESS WIRE)--Dow Polyurethanes, a business group of The Dow Chemical Company (NYSE:DOW) and a leading producer of methylene diphenyl diisocyanate (MDI), today announced the signing of a Letter of Intent (LOI) with Jilin Connell Chemical Industry Co., Ltd., a subsidiary of Jilin Connell

"Jilin Connell brings significant experience in aniline production and a commitment to the partnership."

Steven English, global vice president for Dow Polyurethanes

Group, aimed at providing U.S. Gulf Coast aniline supply for growth in our Polyurethanes business. Jilin Connell Group, a privately-held company, was formed in 1991. Its subsidiary, Jilin Connell Chemical Company (Jilin Connell), is the top merchant aniline producer and distributor in China and has announced expansion plans that would position it as the largest in the world.

Dow operates the largest single-train crude MDI plant in the world today from its Freeport, Texas site; therefore, competitive U.S. aniline supply is critical to meet our customers' needs in a variety of markets and applications, including energy efficient rigid and spray foam insulation solutions for appliances, building and construction; lifestyle-enhancing molded and viscoelastic foams for furniture, bedding and automotive applications; and other adhesive and coating systems for footwear, fibers, etc. The LOI with Jilin Connell concerns the exploration of opportunities for future technical and commercial collaboration in the industrial production of aniline. Discussions include plant location options such as the possibility of Jilin Connell building a fence line plant at Dow's site in Freeport.

"Dow's core Polyurethanes franchise enables success in downstream specialty markets and applications, and our integration strength allows us to more effectively provide market-driven customer solutions," commented **Joe Harlan**, president of the Performance Materials division. This project also represents another example of Dow's commitment to the U.S. manufacturing sector, in addition to Dow's interest in leveraging its engagement in China to promote foreign direct investment (FDI) and job creation by Chinese companies in the U.S. "Dow is a leader in FDI involvement and working with global partners to enter the American economy," continued Harlan. "We are committed to partnering with innovative companies that advance Dow's strategy and help create and preserve U.S. manufacturing jobs."

A signing ceremony took place today in Los Angeles, California, as part of a Chinese delegation's visit to the U.S. and Canada to sign a number of potential investment collaborations including the one with Dow.

"Dow customers need competitive supply especially in this economy. We are looking for a partner who is a reliable, competitive supplier that can enable us to strengthen our MDI business in North America to serve the rapidly-growing energy efficiency and lifestyle-enhancing markets," says Steven English, global vice president for Dow Polyurethanes. "Jilin Connell brings significant experience in aniline production and a commitment to the partnership."

Houston, Texas - June 2, 2010

KBR Awarded Contract by Jilin Connell Chemical Industry Co., Ltd. for Aniline Technology License

KBR Inc. (NYSE:KBR) today announced that it has been awarded a contract by Jilin Connell Chemical Industry Co., Ltd. (Connell) to provide licensing and related services for its grassroots aniline plant in Jilin City, Jilin Province, China.

The aniline technology is offered by KBR through a licensing alliance with DuPont. KBR will license this leading technology for Connell's 150,000 metric tons per annum (MTA) aniline plant, which will enable Connell to double its existing production capacity at this site. **KBR will also provide basic engineering, training and field support services.** This award follows the successful licensing by KBR of two aniline plants in China. Work on the project is already underway.

"This award – the third aniline license for KBR in the region – underscores that **DuPont's** aniline process is recognized in China for its performance, safety, reliability and value," said Tim Challand, President, KBR Technology. "KBR is proud to offer a competitive option to aniline producers worldwide

and looks forward to the successful implementation of this license **for Connell to achieve its goal of becoming a leading aniline producer in China.**"

KBR is a global engineering, construction and services company supporting the energy, hydrocarbon, government services, minerals, civil infrastructure, power and industrial markets.