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Global Concern UOP Will Provide Technologies for the PDH Unit in Police

Grupa Azoty Police has chosen a global provider of the most innovative industrial technologies – UOP, belonging to Honeywell.

The American giant with over 100 years of experience is quoted on the list of 100 biggest companies in the world. The license agreement between UOP and Police will guarantee the state-of-the-art solutions for the implementation of the construction project of the unit worth nearly PLN 1.7bn.

"The unit for propane based propylene production is the essential project not only for Grupa Azoty but also for the whole environment and thereby will be the perfect example of the state-of-the-art unit of this type in Europe. That is why we have decided to choose American provider which will ensure the highest quality and efficiency of propylene production. Furthermore, the process of production will have neutral influence on the natural environment," said Mr Krzysztof Jałosiński, President of the Management Board of Grupa Azoty Police and Vice-President of the Grupa Azoty Group. "During the tender we were taking under consideration not only the price but also level of innovation, experience and operation scale of the tenderer," emphasized Mr Jałosiński.

Some prominent persons took part in the ceremony of signing the agreement between UOP and Grupa Azoty Police: Mr Krzysztof Jałosiński, President of the Management Board of Grupa Azoty Police, Mr Nigel Orchard, General Director of UOP Limited, Mr Stanisław Gawłowski, Secretary of State in the Ministry of the Environment and Mr Olgierd Geblewicz, Marshal of the West Pomerania Province.

On the basis of the signed documents the following agreements were concluded: the license agreement, the guarantee agreement and the agreement on providing engineering services, i.e. 'The Basic Engineering'. A basic investment project, i.e. 'The Basic Engineering', is the first stage of implementing the investment after the conceptual phase and feasibility study. The Basic Engineering will cover preparing the concept of the assumed process i.e. the balance of materials, flow charts and preliminary drafts of the unit project. Additionally, it will involve also preliminary schemes of piping, devices and specification of main units. The project will last until the end of 2015 and will be the basis to implementation of the Detailed Engineering Design.

The license agreement allows to use the UOPL technology to produce propylene using PDH method (propane dehydrogenation). The project amounting to PLN 1.7bn anticipates building the unit and power generating unit as well as expansion of the chemicals terminal in the Police port facilities. Ultimately, the terminal will be handling the biggest ships with LPG in Poland, doubling its operational capabilities.

The investment will be completed within the next four years and its influence on the financial results will be

visible in 2019. The revenue of Grupa Azoty Police will increase by some PLN 2bn, and profits will increase by hundreds of millions of PLN. About 1,000 people will be working on the construction of the unit. After launching the production some 200 people will be employed permanently. The safety of financing will be ensured by a specially set up target entity (project finance).

Propylene is an extremely important petrochemical intermediate used in the production of, among others, alcohols (production of plasticizers, fuel additives as well as modifiers of plastics, resins and solvents), acrylic acid and its derivatives (the chemical, pharmaceutical textile, electrotechnical, electrical, automotive, building and furniture, food and packaging, and toys industries as well as in household goods). Main recipients of the propylene will be domestic customers and entrepreneurs from countries bordering Poland.