

Press release

Construction of the new bio-ethanol plant in Hallein has started

**OMV and AustroCel Hallein sign bio-ethanol supply contract.
The first rail carts will leave the plant in early 2021.**

Hallein, September 2019. With construction of the new bio-ethanol plant, production of bio-fuel from wood in Hallein draws ever closer, a vision for replacing fossil fuels becomes reality. The site is becoming a biorefinery. All approvals for the construction and operation of the plant are now present and correct, financing has been secured and a supply contract for several years has been concluded with OMV AG. The new plant, which should be put into operation at the end of 2020, will cost 42 million Euros, create long-term employment for an additional 10 employees and produce up to 30 million litres of bio-ethanol per year.

The biofuel from Hallein is particularly environmentally friendly because it will be produced not from feed or food products, but rather from waste materials from pulp production. In Hallein, bio-ethanol will be made from wood sugar which is fermented and distilled. The end product will be added to petrol and replace around one percent of the annual petrol consumption in Austria. Replacing the fossil fuel will save around 50,000 tonnes of CO₂ per year.

AustroCel Hallein believes in the cascading use of raw materials: spruce, which is residual wood from the sawmill industry, is turned into pure cellulose which is predominantly processed into textile fibres in Asia. Jörg Harbring, Managing Director of AustroCel Hallein GmbH: "Waste materials are valuable raw materials. With the bio-ethanol project, we are not only creating more jobs in Hallein, we are also developing interesting new products with creative solutions which also present new economic opportunities.

Bio-ethanol from Hallein is made exclusively from cellulose waste materials; Austria is getting the first second-generation bio-ethanol production plant. Thanks to the sustainable basis, it falls into the "advanced biofuels" category. It can thus fulfil OMV's statutory substitution requirement and be added to petrol. The product will contribute to reduction of the CO₂ intensity of the OMV product portfolio and thus help the company to achieve the OMV sustainability goals 2025.

Thomas Gangl, OMV board member responsible for the Refining & Petrochemical Operations division: "This is the first contract that OMV has concluded in the field of second-generation advanced biofuels. OMV can thus take a valuable step towards ensuring the supply of biofuels and supporting the fulfilment of international climate objectives. We are delighted to have found a reliable cooperation

partner in AustroCel and thus also to strengthen the industrial site in Austria.”

Initial preparations for the plant were started at the AustroCel GmbH premises in September. The first construction phase through to winter requires excavation works, soil compaction and the construction of a new rail track and extension of an existing track. The bio-ethanol will be transported in an environmentally friendly manner in the future, by rail.

Background information on biofuels

In the EU, a range of directives govern the use of biofuels. The EU Directive “Renewable Energy Directive” (RED) from 2009 set binding targets: 20% of energy consumption from renewable energy sources and a minimum of 10% renewable energies in the transport sector (electricity, heat and transport). This was followed in June 2018 by the “Renewable Energy Directive II” (RED II) which set a binding target of 32% renewable energies for the EU in 2030 and 14% for renewable energies in the transport section by 2030. A rising target for advanced biofuels (second generation) was also set. The target is set at 0.2% in 2021, rising to 1% in 2025 and 3.5% in 2030. Conventional biofuels (first generation) are permitted up to 7%.

OMV Aktiengesellschaft

OMV extracts and sells oil and gas, innovative energy solutions and high-quality petrochemical products – in a responsible manner. With a group turnover of EUR 23 billion and a workforce of more than 20,000 in 2018, OMV Aktiengesellschaft is one of the biggest listed industrial companies in Austria. In the upstream field, OMV has a strong base in Romania and Austria as part of the key region of Central and Eastern Europe as well as a balanced international portfolio with Russia, the North Sea, the Middle East & Africa and Asia-Pacific as other key regions. In 2018, the daily production was around 427,000 boe/d. In the downstream field, OMV operates three refineries with an annual capacity of 17.8 million tonnes and more than 2,000 petrol stations in ten countries. OMV has a gas storage facility in Austria as well as in Germany; the subsidiary Gas Connect Austria GmbH is the operator of a gas pipeline network. In 2018, OMV sold around 114 TWh of gas. Sustainability is an integral part of the corporate strategy. OMV will invest EUR 500 million into innovative energy solutions by 2025.

About AustroCel Hallein GmbH

AustroCel Hallein GmbH currently employs a staff of more than 250 and is the market leader in China for textile cellulose made from spruce, with a total turnover of 146 million Euros. In the previous year, more than 157,000 tonnes of viscose pulp were sold and 105 GWh of district heat and 95 GWh of green electricity were produced. The Hallein-based high-tech company thus not only supplied its own production site with clean energy, but also supplied 30,000 households with green electricity and 14,000 households with district heating.

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Caption 1: Austria's first second-generation bio-ethanol production plant, currently being built by AustroCel Hallein, will produce up to 30 million litres per year. The bio-ethanol will be processed by OMV AG and added to petrol from 2021. This will replace around one percent of the annual fuel consumption in Austria and will save roughly 50,000 tonnes of CO₂ per year by replacing fossil fuels.

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Caption 2: Austria's first second-generation bio-ethanol production plant, currently being built by AustroCel Hallein, will produce up to 30 million litres per year. The bio-ethanol will be processed by OMV AG and added to petrol from 2021. This will replace around one percent of the annual fuel consumption in Austria and will save roughly 50,000 tonnes of CO₂ per year by replacing fossil fuels.

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Caption 3: After signing of a supply contract with OMV AG and official approval, preparatory works for the plant will soon be beginning at the AustroCel GmbH premises. As from completion of the plant at the beginning of 2021, AustroCel will produce up to 30 million litres of bio-ethanol and thus replace around one percent of the annual fuel consumption in Austria. Printing for press purposes free of charge, photo credit: AustroCel / Franz Dieterich