

Press Release

Paris, December 15, 2015

Northern Europe - Energy

Neste, Veolia and Borealis to build a new combined heat and power plant in Porvoo, Finland

Neste, Veolia and Borealis have agreed to create a joint venture company to build a new combined heat and power plant (“power plant”) and produce and supply steam and other utilities to Neste’s refinery and Borealis’ petrochemical plant in Porvoo, Finland.

The company, Kilpilahti Power Plant Limited (“KPP”), will be owned 40% each by Neste and Veolia and 20% by Borealis. Neste will contribute its required equity share in KPP by transferring the current power plant to the joint venture company. The arrangement is subject to the finalization of the financing agreements, which is expected to take place during the 2016 first quarter.

“We have combined forces to build this modern power plant, and from 2018 onwards its customers will have a more secure, efficient and clearly cleaner power source,” says Matti Lehmus, EVP Oil Products at Neste Corporation.

KPP will build four new steam and power generation assets with an installed capacity of 450 megawatt thermal and 30 megawatt electrical running on side streams from the refineries as well as natural gas, with asphaltene being the main fuel. The total investment is expected to be around 400 million euros, of which an estimated 350 million euros for the new power plant. The resulting new power plant will comply with the latest environmental regulations, including the European Commission’s Industrial Emissions Directive (IED), and is expected to be in operation during 2018.

“This joint venture will deliver safe and reliable energy supplies, and support the sustainable development of our Porvoo location,” says Thomas van de Velde, Borealis Vice President Hydrocarbons & Energy. “This joint venture will secure our long-term reliable energy supply for our operations in Porvoo on a competitive basis.”

Veolia Services Suomi Oy, a subsidiary of Veolia Nordic AB, will take over the operating staff of the existing power plant from Neste and enter into a 20 years operations and maintenance contract with KPP for an estimated value of 350 million euros over the period.

“The cooperation with Neste and Borealis constitutes an important milestone for Veolia in the Finnish and Nordic energy services markets and demonstrates the attractiveness of our business model and technical and operational know-how”, says Veolia’s CEO for the Nordic countries, Mikael Jansson. “Neste and Borealis are leading companies within their respective industries and we are proud that they have entrusted us as their partner for the energy management for their operations in Porvoo.”

Neste first announced its plan to replace the current power plant in May 2013.
Borealis and Veolia both first announced this planned joint venture in October 2014.

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Neste is a forerunner in oil refining and renewable solutions. We offer our customers cleaner traffic solutions and industrial products based on cutting-edge research. We are the leading producer of renewable diesel in the

world, with an annual production volume of more than 2 million tons. We are also the world's largest producer of renewable fuels from waste and residues. Our sustainable practices have received recognition in the Dow Jones Sustainability World Index and the Global 100 list of the world's most sustainable companies. In 2014, our revenue amounted to EUR 15 billion. Neste shares are listed on NASDAQ Helsinki. Cleaner traffic, energy and life are moved forward by 5,000 professionals. Learn more at neste.com.

Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. With headquarters in Vienna, Austria, Borealis currently employs around 6,500 and operates in over 120 countries. It generated EUR 8.3 billion in sales revenue in 2014. The International Petroleum Investment Company (IPIC) of Abu Dhabi owns 64% of the company, with the remaining 36% owned by OMV, an integrated, international oil and gas company. Borealis provides services and products to customers around the world in collaboration with Borouge, a joint venture with the Abu Dhabi National Oil Company (ADNOC).

Veolia group is the global leader in optimized resource management. With over 179,000 employees* worldwide, the Group designs and provides water, waste and energy management solutions that contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them.

In 2014, the Veolia group supplied 96 million people with drinking water and 60 million people with wastewater service, produced 52 million megawatt hours of energy and converted 31 million metric tons of waste into new materials and energy. Veolia Environnement (*listed on Paris Euronext: VIE*) recorded consolidated revenue of €24.4 billion* in 2014. www.veolia.com

(*) 2014 pro-forma figures, including Dalkia International (100%) and excluding Dalkia France.

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