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Dow and Chevron Phillips Chemical Announce Plans to Form Styrenics Joint Venture

MIDLAND, Mich. and THE WOODLANDS, Texas (April 10, 2007) – The Dow Chemical Company (Dow) and Chevron Phillips Chemical Company LP (Chevron Phillips Chemical) have signed a non-binding Memorandum of Understanding relating to the formation of a joint venture involving assets from their polystyrene and styrene monomer businesses in the Americas. The new venture is subject to customary regulatory review, due diligence, completion of definitive agreements, and corporate and other approvals.

“Today’s announcement marks another key milestone in Dow’s strategic agenda and underscores our commitment to change the company’s long-term earnings profile,” said Andrew Liveris, Dow chairman and chief executive officer. “This joint venture is what our Asset Light strategy is all about: joining forces with a complementary partner who brings value to Dow through its excellent feedstock position and with whom we can build a stronger regional presence, reduce costs, enhance innovation and deliver a superior service to our customers.”

The 50-50 joint venture is expected to establish the competitive model for an integrated producer of polystyrene in the Americas.

“This joint venture is an important step for our company in recognizing the changing competitive landscape for styrenics in the Americas,” said Ray Wilcox, president and chief executive officer of Chevron Phillips Chemical. “This is a very competitive business and we look forward to achieving the synergies of this venture so as to expand our opportunities in the Americas and more efficiently meet customer demand.”

The potential joint venture is expected to realize significant manufacturing, commercial and feedstock synergies between Dow and Chevron Phillips Chemical.

“We complement each other well and together we’re creating a sustainable company in the Americas,” said Mike Gambrell, Dow Executive Vice President for Basic Plastics and Chemicals. “Both companies bring a wealth of commercial and manufacturing experience to the venture.”

“Partnering in this way enables both Chevron Phillips Chemical and Dow to more efficiently build upon our core competencies,” said Mike Parker, senior vice president of aromatics and styrenics for Chevron Phillips Chemical. “We also believe it improves our customer coverage and enhances logistics to better serve them.”

Subject to due diligence, the parties intend to contribute the following assets to the venture: Dow intends to contribute six polystyrene plants (Gales Ferry, Connecticut; Ironton, Ohio; Joliet, Illinois; Torrance, California; Cartagena, Colombia; and Guaruja, Brazil). Chevron Phillips Chemical intends to contribute a styrene monomer plant (St. James, Louisiana) and a polystyrene plant (Marietta, Ohio).

About Dow

With annual sales of \$54 billion and 46,000 employees worldwide, Dow is a diversified chemical company that combines the power of science and technology with the "Human Element" to constantly improve what is essential to human progress. The Company delivers a broad range of products and services to customers in around 160 countries, connecting chemistry and innovation with the principles of sustainability to help provide everything from fresh water, food and pharmaceuticals to paints, packaging and personal care products. References to "Dow" or the "Company" mean The Dow Chemical Company and its consolidated subsidiaries unless otherwise expressly noted. More information about Dow can be found at www.dow.com

About Chevron Phillips Chemical Company LP

Chevron Phillips Chemical Company LP is a wholly-owned subsidiary of Chevron Phillips Chemical Company LLC and its direct and indirect subsidiaries. The company produces petrochemicals that are essential to manufacturing over 70,000 consumer and industrial products and employs approximately 4,800 people in the United States. The company is equally owned by Chevron Corporation and ConocoPhillips, and is headquartered in The Woodlands, Texas. For more information about Chevron Phillips Chemical, visit www.cpchem.com.