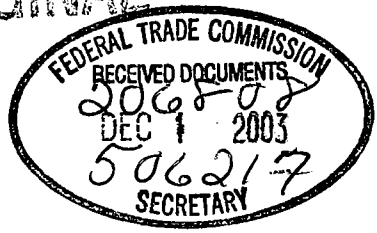


PUBLIC VERSION

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

ORIGINAL



In the Matter of)
)
ALPHA ACQUISITION CORPORATION,)
a corporation;)
)
RWE-DEA AKTIENGESELLSCHAFT)
FUR MINERALOEL UND CHIMIE,)
a corporation;)
)
RWE AKTIENGESELLSCHAFT,)
a corporation; and)
)
VISTA CHEMICAL COMPANY,)
a corporation)

File No. 911-0040
C3349

PETITION TO REOPEN AND SET ASIDE CONSENT ORDER

Sasol North America Inc., formerly named Vista Chemical Company and CONDEA Vista Company, hereby petitions the Federal Trade Commission (the "FTC") to reopen and terminate the above-captioned consent order, which became final on November 13, 1991 (the "Consent Order").¹

Summary

The parties entered into the Consent Order in June 1991 to settle allegations by the staff of the FTC that the acquisition by RWE-DEA Aktiengesellschaft

¹ In March 2001 Sasol Limited, a corporation organized under the laws of South Africa, acquired from RWE the chemicals business of RWE-DEA, including all the shares of CONDEA Vista Chemical Company (the renamed Vista Chemical Company), as well as the shares of CONDEA Chemie GmbH and certain other foreign subsidiaries. In September 2001 CONDEA Vista Chemical Company was renamed Sasol North America Inc. and CONDEA Chemie was renamed Sasol Germany GmbH. For the sake of convenience, Sasol North America Inc. and its predecessors-in-interest will be referred to hereinafter as "Sasol".

für Mineraloel und Chemie ("RWE-DEA") of Vista Chemical Company ("Vista") (the "Acquisition") would substantially lessen competition in the market for High Purity Alumina ("HPA").² The main remedy mandated by the Consent Order was the establishment of a new competitor in the HPA market, Discovery Aluminas, Inc. ("Discovery"). The provisions of the Consent Order designed to achieve that result included the following: (1) licenses to HPA technology owned by RWE-DEA and Vista, (2) assistance to Discovery to design, build and operate a plant that would produce HPA, and (3) an interim agreement to supply HPA to Discovery so that Discovery could begin building customer relationships even before its plant began production.

As set forth in the annual compliance reports required by Section VII of the Consent Order, RWE-DEA and Vista fully complied with their obligations under the Consent Order to transfer technology, provide technical assistance and supply HPA to Discovery. The reporting obligations of Section VII terminated by their terms when the Alumina Joint Venture was dissolved as of January 1, 1998. The remaining annual reporting obligations, contained in Section VIII of the Consent Order, terminated in 2001.

As shown below, the structure of the HPA market has changed dramatically since the Consent Order was negotiated. Three of Sasol's major customers

² The Consent Order defines "High-Purity Alumina" as "all grades and types of alumina produced or sold by Vista as of the date that this Order is accepted by the Commission for public comment." The purpose of the Consent Order, as stated in Section IV, was "to establish the Licensee as a viable competitor in the market for High-Purity Alumina or similar aluminas, and to remedy the lessening of competition resulting from the Acquisition as alleged in the Commission's complaint." (Emphasis added). For the sake of brevity, in this petition we use the term "HPA" to mean "High-Purity Alumina or similar aluminas." We include in the term "similar aluminas" aluminas that are substitutable with High-Purity Alumina (as defined in the Consent Order).

have begun making HPA for their own use and/or for sale to third parties. In addition, other suppliers have entered the HPA market, providing aluminas that substitute for and displace demand for Sasol aluminas. Another important Sasol customer has reduced its purchases of HPA as a result of shifting to an alternative catalyst material. These factors, along with declining global sales of refinery catalysts, have forced Sasol to lower its prices.

The reduction of Sasol's prices cannot, however, be attributed to HPA production by Discovery. When Discovery Aluminas was acquired by Alcoa Inc. ("Alcoa") in July 1995, it had not produced a single pound of HPA for commercial sale. Alcoa started production at the Discovery plant in 1996 at the Port Allen, Louisiana, plant constructed using Sasol HPA technology. In March 1999 the Environmental Protection Agency, Region 6, shut down the plant for environmental violations. Since then, the Port Allen plant has not produced any HPA. Despite efforts to re-start operations at the plant, the plant was decommissioned in April 2001 and its environmental operating permits were canceled in September 2001.

Since 1999, the market for HPA has remained intensely competitive, with Sasol's average price remaining below the level that prevailed before the Acquisition. During the period the Discovery plant was in operation, Alcoa never paid any royalties to Sasol, as it would have had to do if its HPA revenues had even covered the costs of goods sold.³

³ The license agreements provide for a royalty calculated as a percentage of "Gross Contribution", defined as gross revenues less the cost of goods sold. As discussed below, in every royalty report Alcoa has stated that the Gross Contribution was a loss and that no royalties were owed.

These facts strongly support the view that the HPA market has behaved, and continues to behave, in a highly competitive fashion, without the production of Discovery's Port Allen plant in the market. Accordingly, pursuant to Section 2.51 of the FTC's "Organization, Procedures, Rules of Practice and Standards of Conduct", the changed conditions in the HPA market require that the Consent Order be set aside.

THE CONSENT ORDER SHOULD BE SET ASIDE BECAUSE IT IS NO LONGER NEEDED.

Since 1991, the market for HPA has changed so that there is no longer a need to maintain Discovery (or its successor) as a competitor in HPA. That conclusion is based on the following facts, discussed in greater detail below. First, three major customers of Sasol have integrated backward into HPA production, substantially reducing, or threatening to reduce, their purchases from Sasol. The alumina produced by these customers directly substitutes for Sasol's alumina. In addition, other suppliers of HPA entered the market and now provide alumina supplies that substitute for and displace the demand for Sasol aluminas. Second, at least one other Sasol customer has substituted alumina from another supplier, reducing its purchases of HPA from Sasol. Third, throughout the period since the Discovery Port Allen plant first began production, the HPA market has behaved in a competitive fashion. Sasol's average price has fallen and has stayed low as a result of competitive forces. Fourth and most tellingly, this history of competition is independent of the Discovery plant. That plant operated for only one year, during which it made few sales, even at prices that apparently failed to cover the cost of the alumina sold. In the four and a half years since the Discovery plant was shut down for violation of environmental regulations, Sasol's average price has been well below the levels set in 1989-1991, before the Acquisition. These facts demonstrate

that competition in HPA is vigorous without the Discovery Port Allen plant and that the market does not need Discovery to maintain competition. We set first the background.

Background

The Consent Order, which became effective November 13, 1991, was intended "to establish the Licensee as a viable competitor in the market for High-Purity Alumina or similar aluminas, and to remedy the lessening of competition resulting from the Acquisition as alleged in the Commission's complaint". (Consent Order, Section IV). The Consent Order contained provisions "requiring the licensing of: (1) Certain RWE production technology for high-purity alcohol process alumina; (2) certain Vista production technology for high-purity alcohol process aluminas; and (3) certain Vista processing technology for high-purity alcohol process aluminas. The licensed technology includes both patent rights, trade secrets, and other company know-how".⁴ See Affidavit of Jeff T. Fenton, dated November 21, 2003 ("Fenton Aff."), ¶ 2.

As set forth in the annual compliance reports to the FTC required by Sections VII and VIII of the Consent Order, RWE fully complied with all the provisions of the Consent Order. It granted the specified licenses to Discovery, and supplied HPA to Discovery to enable it to begin marketing HPA and to facilitate its development of a customer base.

⁴ Analysis to Aid Public Comment on the Provisionally Accepted Consent Order, 56 Fed. Reg. 28910, June 25, 1991.

Discovery, which was granted the licenses in 1991, began planning for the construction of an on-purpose alumina plant at Port Allen, Louisiana.⁵ The alumina plant was constructed in 1995. Alcoa acquired Discovery in July 1995 and began production in 1996. Sasol understands that it used a combination of CONDEA's "on-purpose" technology (used at its plant in Brunsbuettel, Germany), as provided in the CONDEA Technology package, and aluminum alkoxide hydrolysis, as provided in the Vista Technology Package. Fenton Aff., ¶ 3. In 1998 the U.S. Environmental Protection Agency ("EPA") and the Department of Justice began a criminal investigation of the Port Allen alumina facility and found it to be in substantial non-compliance with environmental regulations. The EPA shut the plant down at the end of March 1999. Despite efforts to re-start operations at the plant, the plant has not produced HPA since that time. The plant was decommissioned in April 2001 and its environmental operating permits were canceled in September 2001. Fenton Aff., ¶ 4.

On September 3, 2003, Discovery notified Sasol that the Port Allen facility had been sold to Southern Ionics Incorporated ("Southern Ionics"), a Mississippi company with headquarters in Columbus, Mississippi, and, in that regard, that the Vista and CONDEA License Agreements had been assigned to Southern Ionics. Because the assignment had been made without Sasol's consent having been obtained, as required by section 8.2 of both License Agreements, Sasol notified Discovery on September 18, 2003, that the License Agreements had terminated. Fenton Aff., ¶ 5. Pursuant to Section

⁵ "On-purpose" here refers to a plant that is designed to produce HPA as its primary product. Sasol's plant at Lake Charles, Louisiana, produces HPA as a by-product from the Ziegler process, which is designed to produce linear alcohols as the primary product.

V of the Consent Order, the correspondence relating to the termination of these licenses is attached as Exhibit 1 to the Fenton Affidavit.

Changes to the HPA Market since the Consent Order

1. New Producers and Increased Capacity of HPA.

Since the Consent Order became final, two of Sasol's alumina customers have integrated backward into the production of HPA, and one has significantly expanded its production capacity. The HPA produced by Sasol's customers can be substituted for Sasol's HPA. Customers have done so, reducing their purchases from Sasol, or in some cases have credibly threatened to do so, forcing Sasol to lower its prices substantially. Fenton Aff., ¶ 6.

The two customers who integrated backward are Haldor Topsoe and Engelhard Incorporated ("Engelhard"). Before the Port Allen facility began production, Haldor Topsoe, a long-time purchaser of Sasol's Lake Charles HPA, began production of HPA in Denmark. Topsoe now ships some of its Danish HPA production to its catalyst production facilities in the United States. As a result of its backward integration, Topsoe reduced its purchases of HPA from LaRoche Aluminas ("LaRoche", now UOP), putting further downward pressure on the price of HPA. Fenton Aff., ¶ 7.

In the 1991-1992 period, Engelhard, another Sasol customer, acquired the assets of Katalistiks, a fluidized bed catalytic cracking catalyst maker in Savannah, Georgia. Engelhard converted part of that plant to manufacture HPA. Engelhard subsequently sold the Katalistiks plant to IFP, a French maker of catalysts, but retained the assets used to manufacture HPA. Engelhard still operates those assets, selling much of the output to Axens, the U.S. catalyst division of IFP. Sasol also believes that Alcoa

markets HPA from that plant to the global market in competition with Sasol and UOP. Fenton Aff., ¶ 8.

In the 1996-1997 period, Akzo Filtrol integrated backwards into HPA production at its fluidized bed catalytic cracking catalyst plant in Vernon, California. During the period from start-up to 1998, Akzo Filtrol replaced purchases of approximately 18 million pounds per year of Sasol HPA with its own production. In 1998, faced with a substantial build-up of its HPA inventory, Sasol entered into a long-term supply contract with Akzo Filtrol at a "distress" price. That contract is scheduled to expire in March 2004. If Sasol and Akzo Filtrol do not reach agreement on a new contract, Akzo Filtrol will probably again produce sufficient HPA for its own use. Fenton Aff., ¶ 9.

2. Competition from Other Suppliers of Alumina

At the time of the Consent Order, Johnson Matthey, a U.S. producer of auto catalysts, purchased large volumes of calcined HPA from Sasol. As of today, Johnson Matthey's purchases of calcined HPA from Sasol have largely been replaced by purchases of calcined HPA supplied by W. R. Grace ("Grace"). That option apparently was either not technologically feasible or not economically attractive at the time the Consent Order was entered into, as Johnson Matthey was not using significant quantities of Grace's alumina at that time. Fenton Aff., ¶ 10.

In June 1999, LaRoche sold its Baton Rouge alumina production facility to UOP. Before that sale, LaRoche had formed a joint venture (named "CriLar") with Criterion Catalyst, the largest producer of hydrodesulfurization catalyst, for 50% of the output of the Baton Rouge facility. Criterion Catalyst was already backward integrated

into aluminas, with its principal production site in Michigan City, Indiana. In April 2003, it was reported that Criterion intends to divest its share of the CriLar joint venture, suggesting that Criterion does not need the alumina from this facility and that it believes it can obtain any additional alumina it needs from the HPA market at competitive prices. Fenton Aff., ¶ 11.

On April 25, 2003, TOR Minerals in Corpus Christi, Texas, announced that it had received an order for approximately 4,000,000 pounds of HPA manufactured in its Netherlands plant to be supplied to a manufacturer of petroleum and emission control catalysts, which Sasol believes to be Engelhard. The press release announced that, upon completion of contract negotiations with the customer for this alumina, it will build a new facility in Corpus Christi to supply the customer with 6,000,000 to 10,000,000 pounds per year of HPA that will compete with Sasol aluminas. Fenton Aff., ¶ 12.

Another supplier of HPA to the global merchant market that was not viable in 1991 is Nabaltec, located in Schwandorf, Germany. It is Sasol's understanding that the Nabaltec aluminas are used in significant quantities in fluidized bed catalytic cracking catalysts produced in the United States in direct competition with Sasol aluminas. Fenton Aff., ¶ 13.

Finally, production of HPA has recently become available from China. Details on supply capacities for the products from Shandong Aluminum are not available. However, Shandong is advertising that its aluminas are available worldwide. Fenton Aff., ¶ 14.

3. Experience in the HPA market confirms that it is competitive without competition from Discovery.

Two main points confirm that the HPA market has behaved in a competitive fashion without any competition from Discovery. First, although the average price of HPA sold by Sasol varied over the period from 1991 to 2003, the overall average was less than it was in the two years before the Acquisition. Indeed, in the four years since the EPA closed the Discovery plant, the average price realized by Sasol in three of those years has been below the average for the whole period and substantially below the average prices realized in the period from June 1991 to June 1999. Only in Sasol's most recent fiscal year has its average price approximated the average for the entire period. That history shows that competition in HPA continues to discipline prices. Fenton Aff., ¶ 15.

Second, it cannot be plausibly argued that the discipline on Sasol's prices was attributable to Discovery plant. That plant apparently produced HPA for sale for only about 15 months.⁶ Moreover, it is hard to identify any effect that sales from the Discovery plant might have had on Sasol's prices, even though the Discovery HPA was apparently being sold at prices that did not even cover its cost of goods sold.⁷ Fenton Aff., ¶ 16. That fact is consistent with prices being at competitive levels when the Discovery plant began production. The history of Sasol's HPA prices following the

⁶ Sasol does not know exactly when the plant began to produce HPA for sale. The first royalty report it received from Alcoa was for the first quarter of 1998. The EPA closed the Port Allen plant down at the end of March 1999. Using those two dates results in the 15 month estimate in the text.

⁷ Pursuant to the license agreements, Alcoa sent quarterly royalty statements to Sasol covering the period from the first quarter of 1998 through the fourth quarter of 2000. In each statement Alcoa represented that the Gross Contribution (defined as gross revenues less cost of goods sold) was a loss and that no royalties were owed.

shutdown of the Discovery plant confirms that that plant is not needed to maintain competition in the market.

Conclusion

Because of the structural changes in the HPA market and the competitive behavior of that market, behavior that as a matter of simple logic cannot be attributable to the Discovery plant, there is no longer a need for the remedy contained in the Consent Order. Accordingly, Sasol's petition to reopen and set aside the Consent Order should be granted.

Respectfully submitted,

CRAVATH, SWAINE & MOORE LLP

By: 

John E. Beerbower
Cravath, Swaine & Moore LLP
825 Eighth Avenue
New York, NY 10019
(212) 474-1864

Attorneys for Petitioner
Sasol North America Inc.

November 24, 2003

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

In the Matter of)
)
ALPHA ACQUISITION CORPORATION,)
a corporation;)
)
RWE-DEA AKTIENGESELLSCHAFT)
FUR MINERALOEL UND CHIMIE,)
a corporation;)
)
RWE AKTIENGESELLSCHAFT,)
a corporation; and)
)
VISTA CHEMICAL COMPANY,)
a corporation)
_____)

File No. 911-0040

AFFIDAVIT OF
JEFF T. FENTON

STATE OF TEXAS)
)
CITY OF HOUSTON)

JEFF T. FENTON, pursuant to 28 U.S.C. § 1746, declares:

1. I hold the position of Business Manager -- North America: Inorganic Specialties at Sasol North America Inc. ("Sasol"). I submit this affidavit in support of Sasol's Petition to Reopen and Set Aside Consent Order. I have held my current position, or similar positions, since 1991.¹ I have profit and loss responsibility for the marketing of the high-purity alumina ("HPA") produced at Sasol's Ziegler alcohol and alumina production facility at Lake Charles, Louisiana. As part of my responsibilities, I had

¹ I joined Vista Chemical Company in July 1984. As explained in the Petition (footnote 1), Vista Chemical Company was subsequently renamed CONDEA Vista Chemical Company in 1996, which in turn was renamed Sasol North America Inc. in 2001.

contacts with Discovery Aluminas, Inc. ("Discovery"), during the period Discovery was planning and constructing its alumina production facility at Port Allen, Texas.

Discovery Aluminas, Inc.

2. Pursuant to the Consent Order that became final on November 13, 1991 (the "Consent Order"), Sasol and its German affiliate granted to Discovery a license for (1) certain RWE production technology for high-purity alcohol process alumina, an on-purpose alumina production technology (the "CONDEA Technology Package")²; (2) certain Vista production technology for high-purity alcohol process aluminas; and (3) certain Vista processing technology for high-purity alcohol process aluminas (I refer to these latter two as the "Vista Technology Package"). Pursuant to the Consent Order and the Partnership Agreement, Vista also supplied HPA to Discovery to enable it to begin marketing HPA and to facilitate its development of a customer base.

3. Discovery began planning for the construction of an on-purpose alumina plant at Port Allen, Louisiana. The alumina plant was constructed in 1995. Alcoa Inc. ("Alcoa") acquired Discovery in July 1995 and began production in 1996. Sasol understands that the plant used a combination of CONDEA's "on-purpose" technology (used at its plant in Brunsbuettel, Germany), as provided in the CONDEA Technology Package, and aluminum alkoxide hydrolysis, as provided in the Vista Technology Package.

² "On-purpose" here refers to a plant that is designed to produce HPA as its primary product. Sasol's plant at Lake Charles, Louisiana, produces HPA as a co-product from the Ziegler process, which is designed to produce linear alcohols as the larger volume product.

4. In 1998 the U.S. Environmental Protection Agency ("EPA") and the Department of Justice began a criminal investigation of the Port Allen alumina facility and found it to be in substantial non-compliance with environmental regulations. The EPA shut the plant down at the end of March 1999. Despite efforts to re-start operations at the plant, the plant has not produced HPA since that time. The plant was decommissioned in April 2001 and its environmental permits to operate were canceled in September 2001.

5. On September 3, 2003, Discovery notified Sasol that the Port Allen facility had been sold to Southern Ionics Incorporated ("Southern Ionics"), a Mississippi company with headquarters in Columbus, Mississippi, and, in that regard, that the Vista and CONDEA License Agreements had been assigned to Southern Ionics. Because the assignment had been made without Sasol's consent having been obtained, as required by section 8.2 of both License Agreements, Sasol notified Discovery on September 18, 2003, that the License Agreements had terminated. The correspondence relating to the termination of these licenses is attached as Exhibit 1 to this affidavit.

Changes in the HPA Market since the Consent Order

6. Since the Consent Order became final, two of Sasol's alumina customers have integrated backward into the production of HPA, and one has significantly expanded its production capacity. The HPA produced by Sasol's customers can be substituted for Sasol's HPA. Customers have done so, reducing their purchases from Sasol, or in some cases have credibly threatened to do so, forcing Sasol to lower its prices substantially.

7. The two customers who integrated backward are Haldor Topsoe and Engelhard Incorporated ("Engelhard"). Before the Port Allen facility began production, Haldor Topsoe, a long-time purchaser of Sasol's Lake Charles HPA, began production of HPA in Denmark. Topsoe now ships some of its Danish HPA production to its catalyst production facilities in the United States. As a result of its backward integration, I understand that Topsoe reduced its purchases of HPA from LaRoche Aluminas ("LaRoche", now UOP).

8. In the 1991-1992 period, Engelhard, another Sasol customer, acquired the assets of Katalistiks, a fluidized bed catalytic cracking catalyst maker in Savannah, Georgia. Engelhard converted part of that plant to manufacture HPA. Engelhard subsequently sold the Katalistiks plant to IFP, a French maker of catalysts, but retained the assets used to manufacture HPA. Engelhard still operates those assets, selling much of the output to Axens, the U.S. catalyst division of IFP. It is my understanding that Alcoa markets HPA from that plant to the global market in competition with Sasol and UOP.

9. In the 1996-1997 period, Akzo Filtrol integrated backwards into HPA production at its fluidized bed catalytic cracking catalyst plant in Vernon, California. During the period from start-up to 1998, Akzo Filtrol replaced purchases of approximately 18 million pounds per year of Sasol HPA with its own production. In 1998, faced with a substantial build-up of its HPA inventory, Sasol entered into a long-term supply contract with Akzo Filtrol at a "distress" price. The history of Akzo Filtrol's purchases of alumina from Sasol from July 1, 1993, to June 30, 2003, is shown in Exhibit 2. That contract is scheduled to expire in March 2004. If Sasol and Akzo Filtrol do not

reach agreement on a new contract, I expect that Akzo Filtro will probably again produce sufficient HPA for its own use.

10. At the time of the Consent Order, Johnson Matthey, a U.S. producer of automobile and chemical catalysts, purchased large volumes of calcined HPA from Sasol. As of today, Johnson Matthey's purchases of calcined HPA from Sasol have largely been replaced by purchases of calcined alumina supplied by W. R. Grace. At the time the Consent Order was entered into, Johnson Matthey was not using significant quantities of Grace's aluminas.

11. In June 1999, LaRoche sold its Baton Rouge alumina production facility to UOP (see Exhibit 3). Before that sale, LaRoche had formed a joint venture (named "CriLar") with Criterion Catalyst, the largest U.S. producer of hydrodesulfurization catalysts, for 50% of the output of the Baton Rouge facility. The CriLar aluminas substitute for and displace demand for Sasol aluminas. Criterion Catalyst was already backward integrated into aluminas, with its principal production site in Michigan City, Indiana. In April 2003, it was reported that Criterion intends to divest its share of the CriLar joint venture (see Exhibit 4).

12. On April 25, 2003, TOR Minerals in Corpus Christi, Texas, announced that it had received an order for approximately 4,000,000 pounds of HPA manufactured in its Netherlands plant to be supplied to a manufacturer of petroleum and emission control catalysts, which I believe is Engelhard. The press release announced that, upon completion of contract negotiations with the customer for this alumina, it will build a new facility in Corpus Christi to supply the customer with 6,000,000 to

10,000,000 pounds per year of HPA that will compete with Sasol aluminas. (See Exhibit 5).

13. Another supplier of HPA to the global merchant market that is viable today that was not viable in 1991 is Nabaltec, located in Schwandorf, Germany. I understand that the Nabaltec aluminas are used in significant quantities in fluidized bed catalytic cracking catalysts in direct competition with Sasol aluminas. (See Exhibit 6.)

14. HPA has recently become available from China. Details on supply capacities for the products from Shandong Aluminum are not available; however, Shandong is advertising that its aluminas are available worldwide. (See Exhibit 7.)

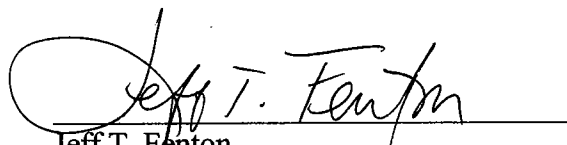
Experience in the HPA market with and without competition from Discovery

15. As shown in Exhibit 8, the average price of HPA sold by Sasol has varied over the period from 1991 to 2003. Over that period, the average price (or netback) received by Sasol was less than it was in the two years before the Acquisition. In the four years since the EPA closed the Discovery plant, the average price realized by Sasol in three of those years has been below the average for the whole period and substantially below the average prices realized in the period from June 1991 to June 1999. Only in Sasol's most recent fiscal year has its average price approximated the average for the entire period.

16. Simply as a matter of logic, the price history shown in Exhibit 5 cannot be explained by the alumina output of the Discovery plant at Port Allen. That plant apparently produced HPA for sale for only about 15 months.³ Moreover, it is hard

³ I do not know exactly when the plant began to produce HPA for sale. The first royalty report Sasol received from Alcoa was for the first quarter of 1998. The EPA

to identify any effect that sales from the Discovery plant might have had on Sasol's prices during that period of operation, even though the Discovery HPA was apparently being sold at prices that did not even cover its cost of goods sold.⁴


Jeff T. Fenton
Business Manager--North America:
Inorganic Specialties

November²⁴, 2003

closed the Port Allen plant down at the end of March 1999. Using those two dates results in the 15 month estimate in the text.

⁴ Pursuant to the license agreements, Alcoa sent quarterly royalty statements to Sasol covering the period from the first quarter of 1998 through the fourth quarter of 2000. In each statement Alcoa represented that the Gross Contribution (defined as gross revenues less cost of goods sold) was a loss and that no royalties were owed. I have attached the royalty statements as Exhibit 9.

PUBLIC VERSION

EXHIBIT 1

THIS EXHIBIT HAS BEEN REDACTED FROM THE PUBLIC VERSION.

EXHIBIT 2

THIS EXHIBIT HAS BEEN REDACTED FROM THE PUBLIC VERSION.

EXHIBIT 3

Attachment 4



UOP LLC • 25 East Algonquin Road • Des Plaines, Illinois 60017-5017 • Tel:
847.391.2000 • Fax: 847.391.2253

News Release

Contact: Sue Zillman
847-391-2682 sezillma@uop.com
June 3, 1999

For Immediate Release

UOP Acquires Aluminas Business from LaRoche Industries

Des Plaines, IL USA - UOP LLC announced today that it has acquired LaRoche Industries' aluminas business for an undisclosed sum. The purchase includes the Baton Rouge, LA, manufacturing facility, the full alumina product line, including LaRoche's proprietary Versal™ aluminas, and LaRoche's 50% interest in the CRILAR joint venture with Criterion Catalyst Company LP.

"We've significantly enhanced our specialty aluminas products and production processes over the past 10 years, and this business will provide an excellent complement to UOP's current adsorbent and catalyst offerings," said Bud Ingalls, president and chief executive officer of LaRoche Industries. "For LaRoche, the sale is consistent with our strategy to increase our presence in our principal markets of nitrogen and electrochemical products."

"This transaction combines LaRoche's strengths as a manufacturer of specialty aluminas with UOP's adsorbent application knowledge, worldwide marketing presence and technical service capabilities," said York Doerr, vice president of UOP's adsorbents business. "It further broadens UOP's capabilities as a supplier of 'separation-based solutions' to its customers, and, in addition, the Versal line expands UOP's role as a supplier of catalyst base material to manufacturers of automotive, chemical and refining catalysts."

The business unit employs approximately 120 people, the majority of whom are located at the Baton Rouge site. Key business and marketing personnel located at LaRoche's Atlanta headquarters will be offered positions at UOP's headquarters in Des Plaines, IL.

The Baton Rouge facility will be UOP's sixth plant engaged in the production of adsorbents and related products. Other UOP adsorbent manufacturing plants are located in Mobile, Alabama; Reggio Calabria, Italy; and Leverkusen, Germany, and joint venture plants are in Shanghai, China, and Yokkaichi, Japan.

Founded in 1986, LaRoche Industries Inc. is a worldwide producer and distributor of nitrogen-based, chlor-alkali, and fluorocarbon chemical products, with facilities located across the United States, Germany and France.

UOP LLC, headquartered in Des Plaines, Illinois, USA, is a leading international supplier and licensor of process technology, adsorbents, catalysts, process plants, and technical services to the petroleum refining, petrochemical, and gas processing industries.

#

EXHIBIT 4



Attachment 5

Breaking News Roundup

Author: Doris de Guzman
Section: News
21 April, 2003

DuPont and Monsanto Sign Corn Technology Deal

DuPont, and its subsidiary Pioneer Hi-Bred International Inc. and Monsanto Company have agreed to a worldwide licensing agreement regarding Monsanto's recently approved YieldGard Rootworm insect-protected corn technology. Under the deal, Pioneer will receive a royalty-bearing license to Monsanto's YieldGard Rootworm corn technology while Monsanto will receive royalties and certain other payments from DuPont. YieldGard Rootworm corn technology recently received registration from the Environmental Protection Agency, allowing for the commercialization this planting season of the first biotech corn to control the corn rootworm pest.

Criterion Restructures Its Global Businesses

CRI International, with its Houston-based subsidiary Criterion Catalysts and Technologies LP, will restructure its portfolio to further shift its focus toward high performance catalysts and related technologies. Criterion plans to divest its catalyst regeneration services businesses in Lafayette, La., and Singapore, as well as its position in its CRI-LAR joint venture with UOP LLC. The venture consists of an alumina plant in Baton Rouge, La. Criterion will also mothball some of the catalyst capacity at its manufacturing site in Azusa, Calif.

Sinopec Beijing Yanhua Plans Joint Ventures

Sinopec Beijing Yanhua Petrochemical Company, a unit of China Petroleum and Chemical Company, is reportedly in talks with three international chemical companies about the possibility of forming joint ventures in China. Xu Hongxing, general manager of Sinopec Beijing Yanhua, is reported to have said the company is in discussion with Bayer AG about a rubber chemicals joint venture and is also supposedly talking to DSM NV and Mitsubishi Chemical.

Clorox Sheds Its Brazilian Insecticides Business

As part of an effort to boost profitability in Latin America, Clorox Company has sold its Brazilian insecticides business, SBP, to Reckitt Benckiser. Terms of the deal, which includes trademarks, inventory, product formulations and registrations, were not disclosed. Clorox, which announced its intention to sell the business in October, acquired the business in 1995. The company's business in Brazil, including SBP, accounts for about 1 percent of its total revenues. Clorox is still pursuing efforts to shed its remaining Brazilian businesses, including Super Globo and Clonisol bleaches and X-14 and Fluss cleaners.

Sales Growth Boost RPM Third Quarter Earnings

Specialty coatings manufacturer RPM International Inc. reports increased fiscal third quarter net income of \$4.9 million, up 49 percent from last year's net income of \$3.3 million. Net sales of \$433.6 million increased 6 percent compared to \$407.5 million last year. The reported sales increase stems from the company's industrial segment sales, which grew 11 percent, mainly from the continued strength of service sales.

Bayer and GSK Settle Medicaid Dispute for \$345 Million

Bayer Corp. and GlaxoSmithKline (GSK) PLC have reached settlements with the US Department of Justice on charges they overcharged Medicaid on prescription drugs such as Bayer's Cipro antibiotic. Under the agreement, Bayer will pay \$257 million to settle the allegations and GSK will pay \$88 million. The combined settlement of \$345 million represents the largest ever for Medicaid fraud. As part of the settlement, Bayer has agreed to plead guilty to a single count under the Prescription Drug Marketing Act and pay around \$5.5 million in penalties.

© 2003 Reed Business Information. All rights reserved.
Printed: Tuesday, 21 October 2003

EXHIBIT 5

Attachment 6

For Immediate Release

**TOR MINERALS INTERNATIONAL ANNOUNCES
LARGE ORDER FOR TRANSITION ALUMINAS**

CORPUS CHRISTI, TX APRIL 25, 2003 - TOR Minerals International (NASDAQ TORM), announced today, without disclosing financial implications, that it had received an order, to be filled in 2003, for approximately four million pounds of a transition alumina called Boehmite which TOR currently manufactures in its Netherlands plant. Richard Bowers, President and CEO, said that the buyer was a manufacturer of petroleum and environmental catalysts and that TOR was in the process of negotiating a multi-year contract for the sale of Boehmite to that company with a minimum annual requirement in excess of six million pounds and potential of over 10 million pounds. Mr. Bowers said that upon the conclusion of a long-term purchase contract, TOR would build a facility to produce Boehmite at its Corpus Christi, Texas complex.

Based in Corpus Christi, Texas, TOR Minerals manufactures pigments in Corpus Christi, Malaysia and The Netherlands which are marketed worldwide.

This statement includes forward-looking information as that term is defined in the Private Securities Litigation Reform Act of 1995, and, therefore, is subject to certain risks and uncertainties. There can be no assurance that the actual results, business conditions, business developments, losses and contingencies and local and foreign factors will not differ materially from those suggested in the forward-looking statements as a result of various factors, including market conditions, general economic conditions, including the risks of a general business slow down or recession, the increasing cost of energy, raw materials and labor, competition, advances in technology and other factors.

Further Information Contact:
Richard L. Bowers, President and CEO
361/883 5591 Ext 47

EXHIBIT 6

Nabaltec GmbH

Attachment 7

In 1995, Nabaltec GmbH acquired the long-established Nabwerk in Schwandorf, a town situated in the State of Bavaria in Germany. Founded in 1936 by VAW aluminium AG as a production centre for aluminium oxide, Nabaltec GmbH - today an independent, medium-sized company - produces high-grade special products based on aluminium hydroxide. The product range has been developed to meet the customers' requirements. This has given the company a strong market position world-wide, evidenced by an export-share of more than 65% of sales.

The certification in accordance with DIN EN ISO 14001 demonstrates the importance of environment protection in all divisions of our company.

APYRAL® - our trade-mark for hydroxides - is used as environment-friendly and non-toxic flame-retardant filler. The plastic, rubber and cable industries appreciate the outstanding performance characteristics and cost effectiveness of **APYRAL®**, which has been

optimized for a wide range of applications.

APYRAL® has a decisive effect in the fire development stage, i.e. its chemically bonded water is released before an open fire breaks out. **APYRAL®** is halogen-free, produces no toxic gases and ensures a notable reduction of the flue gas density.

APYMAG® is an economically and technically optimized halogen-free flame-retardant filler for thermoplastic applications. Its decisive advantage is the unique combination of magnesium hydroxide and aluminium hydroxide constituents, applicable up to 300°C processing temperatures.

PAPYRAL® meets the high standards of opacity, gloss, smoothness and whiteness for fillers used in high-quality applications within the paper industry.

Boehmite is a newly developed raw material for the plastic industry and serves to improve the efficiency of aluminium hydroxide and magnesium hydroxide used as flame-retardant fillers and also as a functional component for the catalyst industry.

ACTILOX® are transition aluminium oxides and pseudoboehmites for use in the fields of highly specialized products in the refractory- and catalyst-industry and for the improvement for special papers.

Calcined alumina oxide

NABALOX® is a superior raw material indispensable in technical ceramics, the refractory industry and in the polishing products industry. A variety of specific production techniques allow the combination of different properties. As a result, Nabaltec can produce materials, which are tailored to customers' individual processing requirements.

Ceramic Bodies with an Al₂O₃ content of 92% to 99% enable our customers to optimize the raw materials for their specific applications whilst ensuring a uniform quality grade and high economic efficiency.

With **SYMULOX®**, its **Synthetic Sintered Mullite**, Nabaltec offers a superior product for

the refractory industry. This product minimizes mineralogical variations of natural raw materials and guarantees excellent thermal shock resistance.

TABOX® is a high-density sintered tabular alumina. Because of its high density, low porosity as well as its high thermal and mechanical resistance **TABOX®** is used in the refractory industry, but also in the catalysis and in filter technology.

Continuous development in close cooperation with customers opens up new fields of application for our products. The technical support to our customers and the direct inclusion of new aspects into the program of our development department makes Nabaltec a competent partner to meet future requirements. Our combined know-how of raw materials and processing ensures the customers of a constant, high quality of products, which are tailored to their respective applications.

Aluminium oxide and aluminium hydroxide are ever present in the human environment. Many articles made from Nabaltec products form an integral part of our modern life. For example, glassware melted with aluminium oxide, flatware polished with alumina and porcelain containing aluminium oxides are found on every well-laid table.

Nabaltec raw-materials are also used for bioceramics, by the construction-, refractory- and electronic industry. In many plastics applications good flame retardant properties have become state-of-the-art in many fields.

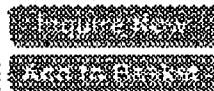
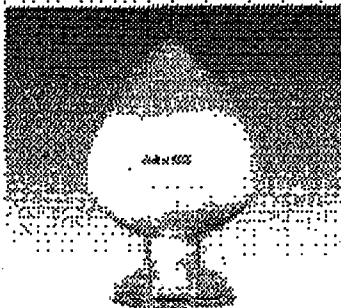
EXHIBIT 7

Shandong Aluminum Corporation

Products

Aluminum Hydroxide Series > Pseudoboehmite

Attachment 8



[Click to enlarge](#)

Protect yourself when ordering or providing samples

Description Of Pseudoboehmite

Product Name:
Pseudoboehmite

Model Number: 05

Place of Origin: China

Brand Name: SHANLU

Payment Terms:

This product is available as a white gel (wet) or powder (dried), that is odorless, tasteless and non-toxic. It has high purity in the crystalline phase, in addition to strong caking properties.

Specifications:

- 1) Na₂O: 0.30% (max.)
- 2) Fe₂O₃: 0.03% (max.)
- 3) L.O.I.: 25% (max.)
- 4) Bulk gravity: 0.75kg/L (max.)
- 5) BET: 250m²/g (min.)
- 6) Porosity volume: 0.3ml/g (min.)
- 7) Gelatin index: 95% (min.)

8) $Al_2O_3 \cdot 3H_2O$ content: 4%(max.)

Used as raw material for the production of catalyst carriers and activated alumina, as well as a molecular sieve, and as cement for aluminum silicate refractory fiber.

Packing: According to customers' requirements

Contact Information

Company Name:	Shandong Aluminum Corporation
Contact Person:	<u>Mr. Yang Shujun</u> (Your inquiry will be sent to the supplier directly)
Address:	Zhangdian District, Zibo, Shandong Province. China
Zip:	255052
Telephone:	0086-533-2946378
Fax:	0086-533-2946181
Web Site:	http://www.sdly.com

EXHIBIT 8

THIS EXHIBIT HAS BEEN REDACTED FROM THE PUBLIC VERSION.

EXHIBIT 9

THIS EXHIBIT HAS BEEN REDACTED FROM THE PUBLIC VERSION