



The road to **INEOS**

The origin of INEOS' operations at Grangemouth can be traced as far back as 1850, when Glasgow scientist Dr James 'Paraffin' Young took out a patent for 'treating bituminous coals to obtain paraffine therefrom'. The first oil works in the world were opened in Bathgate in 1851, producing oil from shale or coal.



James 'Paraffin' Young

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The early days : 1859 - 1945

In 1859 the world's first oil well was sunk in Pennsylvania in the USA and, as the price of oil dropped, many Scottish works closed or concentrated production on lubricants, paraffin wax and sulphate of ammonia.

By 1919 the six surviving companies, including Young's Paraffin Light and Mineral Oil Company Limited, came together under the management of the newly formed Scottish Oils. In the same year Scottish Oils was acquired by the Anglo-Persian Oil Company, later to become BP.

BP was persuaded by Scottish Oils to locate a refinery near Grangemouth, rather than in north-east England, because of its flat ground to the east, its transport links and, most importantly, the rich vein of labour skilled in shale oil refining. By 1924 the refinery was in operation. It maintained a throughput of 360,000 tonnes per year until the outbreak of war in 1939 when imports of oil dwindled and forced it to close.

The post-war boom : 1946 - Present Day

The refinery re-opened in 1946 to a world even more hungry for refined oil products. This demand, coupled with economic reasons, made it essential that the crude oil was utilised completely, and this led to the growth of the petrochemical industry.

In the 40s, the Distillers Company Ltd. was investigating synthetic processes for the production of their alcohols, as opposed to the traditional process using molasses which had become unreliable due to supply and cost fluctuations depending on the harvest.

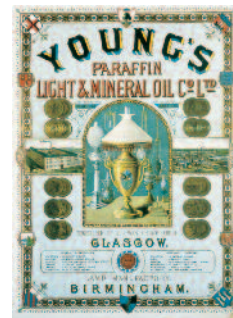
As a result, an overlap existed between the needs of both Distillers and BP in their interest towards petrochemical development. Consequently, a new joint company, British Petroleum Chemicals Ltd., was established in 1947.

It decided to locate its site adjacent to the existing refinery at Grangemouth, which had available feedstock. The ethylene cracker, commissioned in 1951, was the first in Europe. Finnart Ocean Terminal on the west coast, capable of receiving larger tankers, first imported crude oil in 1951; transferring the oil to the Grangemouth refinery via a cross-country pipeline.

Operations at Grangemouth grew quickly over the next twenty years to meet the growing demand for both petrochemicals and fuels.

The advent of a new source of crude oil feedstock in the shape of North Sea oil in 1975 presented further opportunities for the site. The establishment of BP's Forties Pipeline System, which transports oil directly to the complex, has been a cornerstone of Grangemouth's continuing success.

In 2004 BP decided to divest its worldwide olefins and derivative business: this included the refinery and petrochemical plants at Grangemouth. In March 2005, the subsidiary company, Innovene, was created to run this new business. Later that same year, INEOS acquired Innovene from BP, and so begins another chapter in Grangemouth's history.



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