

Dow Chemical To Build TX Ethylene Plant

The Associated Press

MIDLAND, Mich. (AP) — The Dow Chemical Co. said Thursday that it will built an ethylene production plant in Texas as part of a broader expansion designed to take advantage of lower natural gas prices created by a production boom.

The plant at Dow Chemical's Freeport operations is expected to employ as many as 2,000 workers during the construction phase. It is scheduled to start production in 2017.

It is one of several projects in Dow Chemical's \$4 billion investment plan to take advantage of lower natural gas prices as it expands production of ethylene and propylene, which are chemicals used in industrial processes.

The Midland, Mich., manufacturer also is developing a propylene production plant that is expected to begin production in 2015. It also plans to restart an ethylene production unit near Hahnville, La., by the end of 2012.

Natural gas prices have fallen sharply because production is booming as energy companies use newer drilling techniques to access new underground reserves. The futures price for natural gas has dropped 35 percent this year.

Shares of Dow Chemical rose 12 cents to \$34.73 per share in early afternoon trading.

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