Business STATEMENT OF UNION CARBIDE CORP REGARDING THE BHOPAL TRAGEDY

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(The following is a reformatted version of a Statement of Union Carbide Corporation Regarding the Bhopal Tragedy. The statement was obtained from http://www.bhopal.com.)

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The 1984 gas leak in Bhopal was a terrible tragedy which understandably continues to evoke strong emotions even 20 years later. In the wake of the gas release, Union Carbide Corporation, and then-chairman Warren Anderson, worked diligently to provide aid to the victims and set up a process to resolve their claims. All claims arising out of the release were settled 15 years ago at the explicit direction and approval of the Supreme Court of India.

The Bhopal plant was owned and operated by Union Carbide India, Limited (UCIL), an Indian company in which Union Carbide Corporation held just over half the stock. The other stockholders included Indian financial institutions and managed by UCIL using Indian consultants and workers. In 1994, Union Carbide sold its half interest in UCIL to MacLeod Russell (India) Limited of Calcutta, and UCIL was renamed Eveready Industries India, Limited. After the disaster, plant owner UCIL obtained permission from the government to conduct cleanup work at the site. Later, Eveready Industries continued this remediation effort until 1998 when the state government of Madhya Pradesh assumed control of the site and its remediation.

As a result of the sale of their shares in UCIL, Union Carbide retained no interest in - or liability for - the Bhopal site, and Eveready Industries took exclusive possession of the land under lease from the government of Madhya Pradesh. The proceeds of the UCIL sale were placed in a trust and exclusively used to fund a hospital in Bhopal, which now provides specialist care to victims of the tragedy.

Shortly after the gas release, Union Carbide launched an aggressive effort to identify the cause. A thorough investigation was conducted by the engineering consulting firm Arthur D. Little. Its conclusion: The gas leak could only have been caused by deliberate sabotage. Someone purposely put water in the gas storage tank, causing a massive chemical reaction. Process safety systems had been put in place that would have kept the water from entering into the tank by accident.

Union Carbide, along with the rest of the chemical industry, has worked to develop and globally implement Responsible Care in order to prevent any future events through improving community awareness, emergency preparedness, and process safety standards.

For more information about Bhopal, see www.unioncarbide.com/bhopal.

For more information about Union Carbide, see www.unioncarbide.com.

Fore more information about Responsible Care, see www.responsiblecare.com or www.icca-chem.org.

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