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**Union Carbide Responds to Filing of
the Curative Petition by the Government of India**

Houston, TX – February 28, 2011 – Union Carbide Corporation (UCC) released the following statement in response to the filing of the curative petition by the Union of India in relation to the 1989 legal settlement concerning the 1984 Bhopal gas tragedy. The Indian Supreme Court's decision today to hear the government's petition is not a ruling on the petition's merits; rather, it means that the company expects that the petition will receive vigorous and compelling opposition when the petition is heard by the Court.

The 1984 Bhopal gas release was a horrific event that changed the industry forever. We understand why after over two decades the feeling of loss still exists.

In 1989, UCC settled the litigation related to the Bhopal gas release, without any judgment on the company's liability, in deference to the wishes of the Supreme Court of India to swiftly compensate the victims of the tragedy. The settlement was reached between the Government of India and UCC as well as its then-subsiidiary, Union Carbide India Ltd. As a matter of law, the 1989 settlement is fair, final and irrevocable.

The Supreme Court has twice validated the settlement (in 1991 and 2007), refusing to reopen challenges and acknowledging the long-standing position taken by the Government of India that the settlement is fair, reasonable and final. As recently as November 2010,

India's Welfare Commissioner – the Government official charged with overseeing compensation payout for Bhopal victims – filed an affidavit with the Supreme Court urging that the settlement not be reopened. Nothing has occurred over the past three months to justify a change in the Government's position.

The Government's action will serve only to undermine the global perception of India as a nation committed to the rule of law and the integrity of legally-binding agreements – principles that must form the foundation of confidence and certainty in ongoing investment in India by the international community.

Twenty-two years ago, the Supreme Court of India took considered and deliberate steps to ensure a fair and appropriate resolution of existing and future claims related to the Bhopal gas tragedy. The Government of India entered into the binding settlement in 1989, received all moneys due under the settlement agreement, established the compensation program, and controlled the criteria for, and distribution of, the settlement funds. Respect for the rule of law and principles of due process led the Court to reject challenges to the settlement in the past, and should lead it to reject the Government of India's unsubstantiated and unwarranted action now.

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