

Cabot Norit Activated Carbon Receives Operating Permits for New Mine in Texas

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Permits Signify Final Step in Enabling Significant Expansion of Capacity for Mercury Removal for the Coal-Fired Utility Market

BOSTON--(BUSINESS WIRE)--Mar. 19, 2013-- Cabot Corporation (NYSE: CBT) announces that Cabot Norit Activated Carbon has received operating permits for its new mine near Marshall, Texas. As part of Cabot's strategic plan to meet the anticipated quadrupling of demand for activated carbon for use in the coal-fired utility market, this investment is expected to begin production in 2014 and produce lignite for approximately 50 years. Securing this long-term raw material source enables Cabot to deliver unmatched supply assurance and consistent product performance.

Across the U.S., many states are implementing regulations and standards to reduce mercury emissions as they can create health issues such as mercury contamination of consumable fish and wildlife. In addition, the Environmental Protection Agency (EPA) has proposed federal mercury emission levels in the Mercury and Air Toxics Standard that are scheduled to take effect April 2015. In order to meet these requirements, many coal-fired utility companies will use activated carbon to reduce mercury emissions by up to 90 percent.

As a leading supplier of activated carbon, Cabot is well positioned to be a strategic partner to coal-fired power plant owners and operators in mercury emission control today and in the future. To support this leadership position, and in addition to these operating permits for the new mine, Cabot has also secured permits and developed plans for seven new manufacturing lines in North America that give Cabot the ability to significantly increase current production capacity of their mercury control products. Utilizing the latest construction management techniques, each new line can be installed in a modular fashion in less than one year in order to support supply contracts as demand develops. In preparation for the new mine, Cabot has purchased and relocated a dragline to the new mine site.

"The new mine and dragline represent Cabot's commitment to support and extend our market leadership position in the mercury emission control market," said Bart Kalkstein, vice president and general manager, Global Emission Control Solutions. "As demand accelerates, having access to a long-term raw material supply is critical for our support of our customers. The new mine will help ensure that we have an uninterrupted supply of lignite well into the future and can meet the quadrupling of market demand."

About Cabot Corporation

Cabot Corporation (NYSE: CBT) is a global specialty chemicals and performance materials company, headquartered in Boston, Massachusetts. The company is a leading provider of <u>rubber</u> and <u>specialty carbons</u>, <u>activated carbon</u>, <u>inkjet colorants</u> and <u>cesium formate drilling fluids</u> and has market-leading positions in <u>fumed silica</u>, <u>aerogel</u>, and <u>elastomer composites</u>. For more information on Cabot, please visit the company's website at: http://www.cabotcorp.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Statements in the press release regarding Cabot's business that are not historical facts are forward looking statements that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K.

Source: Cabot Corporation

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