THE SOLVENTS REPORT

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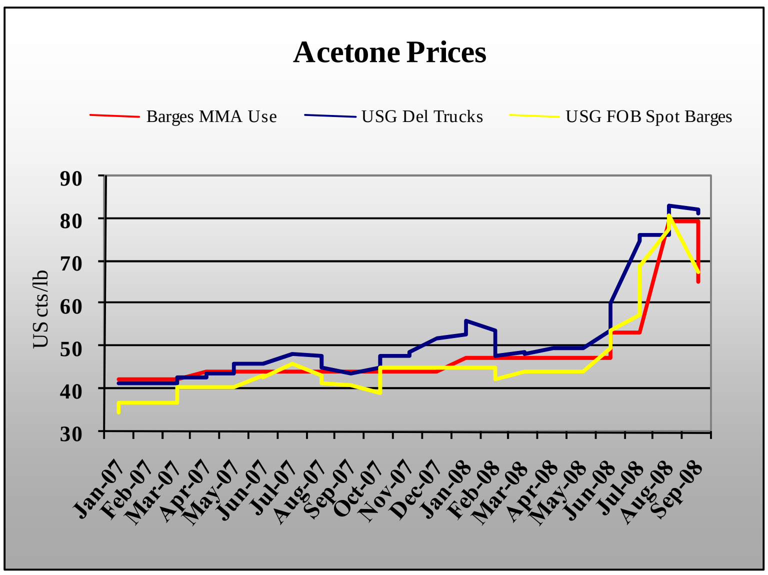
- *Phenol/Acetone* – Imports priced in the mid 60 cts/lb range may contribute to producers' decisions to drop offers.
- *IPA* –Demand remains tepid since most suppliers continue to maintain offers around 90 cts/lb FOB and higher.
- *Ketones* – MIBK prices remain lofty and may jump higher following Shell's upcoming exit of domestic markets.
- *Aromatics* – ARO 150 prices moved to a 10 cts/lb premium over ARO 100 due to supply constraints in the USG.
- *Aliphatics* – Demand remains slow for most aliphatic products despite softening regular mineral spirits offers.

Acetone

Market Summary



Although regional availability constraints caused by Hurricane Ike related outages or transportation delays lent support to current producer prices, offers will likely fall before the years' end opined several marketers. However, that probably will not occur as soon as it may have. Ike's effects prevented Dow from resuming production at its Freeport, TX plant until this past week. It also contributed to Shell's decision to declare force majeure. JLM's Blue Island, IL plant remains down due to a fire that broke out in an oxidizer unit at the end of August, leading to regional snugness as buyers turned to suppliers in nearby Mount Vernon, IN. Scheduled maintenance outages will also affect availability. SABIC continues its maintenance outage in Mount Vernon, and Ineos has scheduled a planned turnaround for October. Since many ports along the Gulf of Mexico remained closed last week due to the storm, barges have been unable to unload. However many expect some ports to open within the next week or two and to have a significant impact on regional availability and prices since offers for large parcels and iso-containers were recently quoted in the mid 60 cts/lb range for the former and between 73 and 78 for the latter FOB USG. Whether to reduce the arbitrage to the US or because of falling feedstock costs or a combination of both producers will cut prices asserted one observer. Others pointed to a September acetone related MMA settlement in the low 60 cts/lb range as indication that not only are markets softening, but also that producers seem responsive to requests to reflect the drop in feedstock costs. Even a few sellers last week commented that acetone prices will likely moderate in the coming months. However, co-product phenol demand remains slow and overall production is still curtailed, which will likely prevent mainstream acetone distribution prices from slipping below the 60 cts/lb mark. Although Hurricane Ike caused some structural damage (mainly due to related flooding) one seller expressed doubt that it would boost phenol demand except on a local short-term basis. In related news the mainstream media recently reported on a study linking downstream Bisphenol A to scores of diseases including diabetes and obesity.

In China, acetone markets appeared sluggish and prices seemed relatively unchanged. Markets seem light although planned turnarounds should help maintain some balance. Offers in Eastern provinces were assessed near CNY 8,800/mt. In Northern regions offers were near CNY 8,400/mt while in South China prices were slightly higher around CNY 9,250/mt.

Contract

Shell confirmed settling a September acetone related MMA contract with its buyer at 63 cts/lb – an 8.50 cts/lb dip from the August price. Sources also claim that another seller and buyer reached a September contract agreement at that value. Earlier in the month sellers had reported that they would seek a roll over for September after falling feedstock costs made it the steep decline in feedstock costs. Another seller confirmed that it would also likely settle with its buyer at 63 cts/lb once more contract settlements became public. A buyer and seller may have privately settled a Q3 contract at 68.50 cts/lb reported one market observer, which would represent an 11 cts/lb increase from Q2.

Derivative

Downstream methyl methacrylate demand remains subdued as the housing market crisis continues. Feedstock cost increases added additional pressure reported one market player. However, the direction September acetone related contract settlements are heading will provide immediate relief for MMA producers. However some producers continue to seek increases in an effort to regain margins. Evonik nominated September 15th increases of Euro 200/mt for Europe and a $300/mt increase for the rest of the world, excluding North America sources reported. Planned turnarounds are expected to balance long availability, noted sources. Lucite plans to take its 210,000 mt/yr plant down in Cassel UK for a planned turnaround next month claimed some observers. In China rumors circulated that Lucite has idled its 100,000 mt/yr Shanghai China unit due to feedstock HCN related issues.

Feedstock

Natural gas prices moved up in most markets last week due to Hurricane Gustav and Ike, which has affected offshore production in the Gulf of Mexico. Spot prices moved about $1 MMBtu higher to around $8.15 MMBtu, while the futures

Gas Stocks as of September 25, 2008	
Total for lower 48 States	3,023
Change from prior week	51
Compared with last year	-5%
Compared with 5 year average	1%

contract for October settled lower to near $7.68 MMBtu. Natural gas in storage was 3,023 Bcf – just over 1% higher than the five-year average. **Refinery grade propylene** prices remain volatile and were notionally assessed lower following declines in crude and energy..

Gas Prices			
	Price	*Change*	*Pct change from year ago*
Henry Hub Spot	$7.72	4	10.36%
NYMEX Jul07	$8.32	5	6.97%
NYMEX 12 Month Strip	$8.78	-2	1.59%
Aeco Spot	$5.95	-38	15.13%
Kingsgate	$7.80	-44	31.44%

Acetone and Phenol Production

Late last week Dow confirmed its Freeport, TX plant had resumed operation. Shell declared force majeure because of damage caused by Ike. JLM has also declared force majeure due to a fire at its Blue Island, IL phenol plant. SABIC and Goodway's planned turnarounds remain underway in Mount Vernon, IN and Bayport, TX respectively. Next month Ineos will have a scheduled maintenance outage in Theodore, AL.

Large Volume Activity

Large volume activity remains subdued given delays associated with ships stranded in the Gulf of Mexico due to closed ports following Hurricane Ike. Prices remain notionally assessed in the mid 60 cts/lb range FOB USG. Since many observers anticipate spot offers will soften within the next six weeks (the travel time between Asia and the US) and few buyers appear keen to do back to back deals, few new import opportunities are expected in the near future despite in spite of an open arbitrage from China.

US Terminal Markets

Terminal markets appear mostly stable despite some transportation and production delays in the USG and, to a lesser extent, the Midwest. Overall, most prices seemed stable, however offers to buyers or smaller distributors moved up in some regions. The last round of increases took effect on August 1st when Georgia Gulf, Ineos, JLM, Sasol, Shell and Sunoco followed their July 1st hikes of 20 cts/lb with an additional 10 cts/lb price upward adjustment.

Mainstream offers in the **USG** seemed relatively unchanged last week, although activity was subdued due power outages, structural damage or transportation delays. Although most offers were unchanged near 79 to 81 cts/lb FOB Houston, iso-containers (some of which are currently held up in the Gulf of Mexico) prices remain in the mid 70 cts/lb range. One reseller reported it was offered volume for October delivery to N. Texas near 76.50 cts/lb. A supplier confirmed selling several railcars to different buyers at 75 cts/lb FOB USG and shipping all but one before the storm hit. Another distributor was vague about its seller's price, but confirmed selling volume to end users in the last two weeks at 86 cts/lb FOB. Another reseller also reported offers to end users were half a penny higher at 86.50 cts/lb.

Similarly, in the **Midwest** acetone prices were largely unchanged despite availability shortages and some storm damage that delayed transporting and/or receiving product. JLM's Blue Island, IL plant remains down due to a fire that occurred on August 24th. In addition, SABIC's plant in

Mount Vernon is undergoing a planned maintenance outage. Several local distributors assessed competitive offers between 80 and 82 cts/lb FOB USMW, with some resellers noting prices as high as 85 cts/lb on the same basis. One distributor agreed with the latter assessment, noting single truck prices as high as 87 cts/lb delivered Chicago area.

Northeastern acetone prices were in a narrower range and market conditions appeared mostly stable with no availability constraints reported. Sources reported distribution offers remained largely unchanged at 80 or 81 cts/lb FOB USNE. One marketer confirmed its offers to resellers remained unchanged near 80 cts/lb FOB New Jersey. A few observers claimed one influential distributor was leaving money on the table by offering volume in the mid to high 70 cts/lb range FOB Philadelphia. Costs for fixed containers remained assessed around 70 cts/lb CFR last week.

Competitive acetone offers in the **Southeast** also remained relatively flat last week. Mainstream distribution prices were reported around 81 to 82 cts/lb delivered USSE. Local marketers assessed the price of a large supplier just under 82 cts/lb delivered. One distributor confirmed that while some sellers offered it volume as high as 83 cts/lb, its supplier's price was comparatively more aggressive near 80 cts/lb delivered Florida. A few resellers noted single truck prices at the upper end of the selling range were near 85 cts/lb.

Canadian Terminal Activity

Overall Canadian markets remained much more stable than those of its southern neighbor. With no unexpected plant outages or transportation delays, availability appears balanced to long. Low end distribution offers were quoted around US 81 cts/lb FOB E. Canada. The monthly truck price for one acetone buyer was confirmed near US 87 cts/lb delivered South Ontario.

Phenol

Market Summary

Phenol markets have changed little during the past few months. Slow housing markets and nonexistent export interest have stalled domestic markets. Prices remain notional and were assessed around 70 cts/lb FOB USG. Further contributing to phenol woes was a recent study published in the *Journal of American Medical Association* linking Bisphenol A to heart and liver diseases (and cancers) and type 2 diabetes (associated with obesity). The Polycarbonate/BPA Global Group of the American Chemistry Council disputed the study noting that urinary concentrations of BPA (which the study used in its analysis of nearly 1,500 adults) only indicate the exposure from the previous 24 hours, and that therefore the study is inconclusive since heart disease and diabetes do not occur over night.

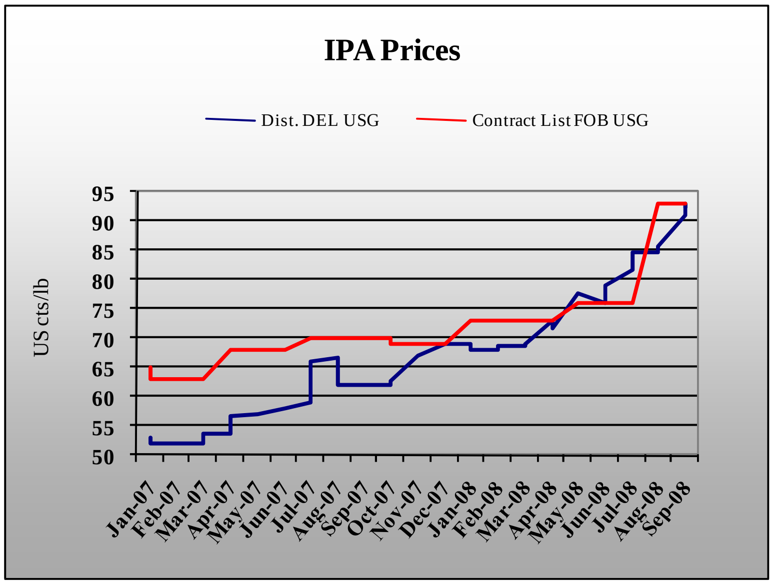
Phenol markets in China appeared balanced and prices seemed relatively stable despite ongoing thin demand. Offers in Eastern and Central provinces were deemed in a similar range near CNY 12,600/mt. Observers assessed South Chinese offers around CNY 13,000/mt, while in the North, prices were as low as CNY 12, 200/mt

Feedstock

Last week at least one consumer was noted agreeing to an October contract price of $4.60/gal although discussions with others remain ongoing. Supply in the USG remains tight due to downtime, although many expect some moderation in the weeks ahead. Spot prices FOB USG remained backwardated with prompt deliveries in the $4.40/gal range and October assessed nearer $4.20/gal on Friday.

IPA

Market Summary

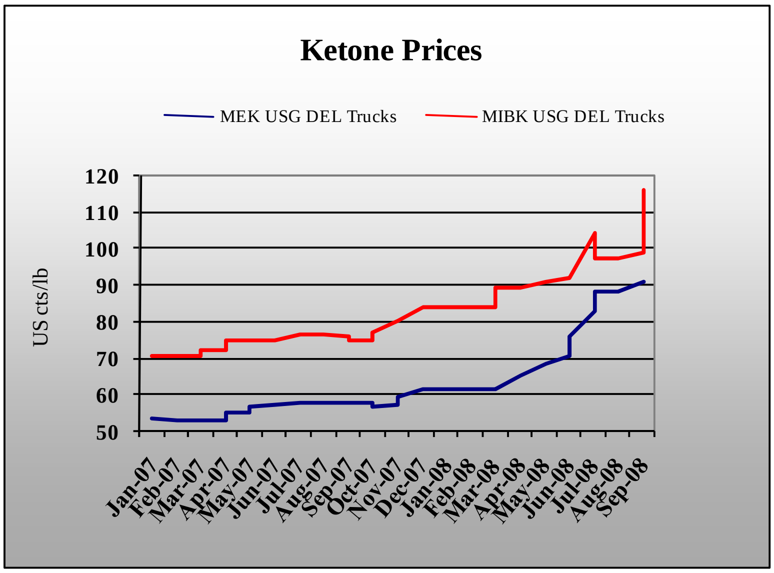


Competitive distribution offers remained mostly unchanged in spite of ongoing light market conditions. Overall availability appears adequate, although some observers reported transportation delays due to Hurricane Ike, which affected short term supply in some regions. Demand is still sluggish, and most observers expect interest to remain thin for the rest of the year. Producers have pushed through several nominations during the summer months in order to keep margins up as feedstock costs soared. However, as propylene prices dropped with falling crude values, Exxon and then Sasol rescinded their increases of 3 cts/lb and 5 cts/lb respectively for September thereby undermining the 5 cts/lb nominations of Dow and Eastman and the 3 cts/lb hike Shell implemented at the beginning of the month. In August Dow, Eastman and Shell adjusted their respective offers up 10 cts/lb, while Exxon and Sasol increased their prices by 6 cts/lb and 11 cts/lb. Many observers expect distribution prices will slip into the mid 80 cts/lb range before years' end in most regions.

Although Ike led to power outages, flooding and transportation delays in the **USG** most observers reported competitive distribution offers remained relatively steady. Several resellers reported prices near 90 or 91 cts/lb FOB USG. One minor player in local markets confirmed it was offered 91 cts/lb FOB last week. A few observers noted more competitive prices in the upper 80 cts/lb range FOB, which many attributed to imported product or older inventories. One distributor confirmed it was offered imported volume at around 88.50 cts/lb delivered N. Texas last week. In the **Midwest,** distribution prices also appeared largely unchanged throughout September. Mainstream competitive offers were assessed around 91 cts/lb FOB USMW, although some sellers noted prices several pennies higher on the same basis. Some marketers assessed 99.9% pure recycled IPA in the mid to high 70 cts/lb range FOB. Similarly, in the **Northeast** most distribution offers reflected little change from August to September. Several distributors noted low end offers around 90 cts/lb FOB USNE last week. One distributor assessed most offers between 90 cts/lb and 96 cts/lb on the same basis, noting limited offers in the upper 80 cts/lb range continue to linger on a very limited basis. Corroborating the upper price levels, another distributor noted receiving offers on a delivered basis near $1/lb. Observers quoted reprocessed IPA around 80 cts/lb delivered USNE. In the **Southeast** prices also were relatively stable throughout the month in part because Sasol, an influential player in regional markets, rescinded its 5 cts/lb hike. Mainstream offers remain assessed by most resellers around 94 or 95 cts/lb delivered USSE. Some distributors report that an increased number of offers in the low 90 cts/lb may indicate softening in terminal markets. **Canadian** prices appeared to have softened some according to a few local observers last week. Sources claim that low end distribution offers dipped US 2 or US 3 cts/lb to around US 91 cts/lb FOB E. Canada.

Ketones

Market Summary



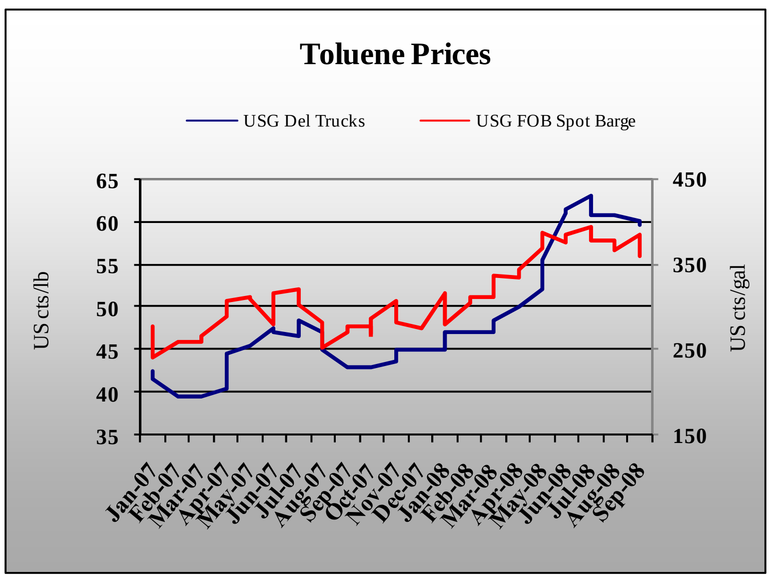
Ongoing tepid **MEK** demand and softening feedstock costs will likely lead prices lower in the coming weeks claimed market observers. Most offers peaked in August after 5 cts/lb increases by Celanese and Shell, a 6 cts/lb hike by Exxon and an 11 cts/lb price adjustment by Sasol took effect at the beginning of the month. Producers remained adamant about pushing through hikes – totaling around 26 cts/lb or higher since June – in order to prevent rising feedstock costs from reducing margins. The cohesiveness among producers that lent success to the increases fragmented in September when only Shell and Exxon nominated hikes of 3 cts/lb, and disbanded completely when Exxon rescinded its increase in late August. **MIBK** markets remain better supported despite feedstock costs remain inflated as diminished production rates continue to hamper supply. Availability will become tighter by year's end following Shell's exit from North American markets in November. Shell listed the potential oversupply of MIBK as a reason for curtailing domestic production. At the beginning of the month Dow, Eastman and Sasol adjusted prices 12 cts/lb higher while Celanese and Shell increased offers by 10 cts/lb and 12 cts/lb respectively.

MEK prices in the **USG** remained mostly steady throughout the month and MIBK offers appeared relatively flat last week after jumping higher on September 1st. Several distributors reported mainstream MEK prices around 89 or 90 cts/lb FOB USG. Corroborating those values, one distributor confirmed it was offered volume at 91 cts/lb delivered USG. Another reseller noted it recently sold a single truck at 91 cts/lb FOB. MIBK offers were widely quoted over

$1/lb FOB. One distributor reported offers as high as $1.26/lb delivered USG. **Midwestern** ketone prices were also largely unchanged last week. One distributor reported MEK offers around 90 cts/lb and MIBK prices around $1.15/lb FOB USMW. Other observers confirmed MEK prices around 89 to 91 cts/lb, but claimed MIBK offers were closer to $1.20/lb if not higher. Offers for high quality (99.9% pure) reprocessed MEK were assessed in the upper 80 cts/lb range FOB. In the **Northeast** MEK and MIBK offers seemed mostly flat during the second half of September. Mainstream MEK distribution offers were quoted around 91 cts/lb FOB USNE according to several market observers. A few resellers offered more competitive prices closer to 89 cts/lb FOB reported one local observer. Sources assessed MIBK offers between $1.10/lb and $1.23/lb FOB USNE. Most MEK offers in the **Southeast** were unchanged in September while MIBK prices were adjusted higher at the beginning of the month. MEK offers from a large regional seller were assessed around $1.05/lb less distributor discount, or near 94.50 cts/lb, delivered USSE. Some observers noted offers from more competitive sellers closer to 91 cts/lb on the same basis. MIBK offers moved to around $1.20/lb or higher at the beginning of the month delivered reported one local reseller. In **Canada** MEK markets appeared light and most offers reflected little change from last month's. Several local distributors assessed competitive MEK prices around US 92 cts/lb FOB E. Canada, although offers from one regional supplier were noted as high as US 97 cts/lb.

Aromatic Solvents

Market Summary



Downstream terminal toluene and MX prices remain under pressure because of ongoing stifled demand, but suppliers report reformer operating rates remain cut back as well, creating more balanced conditions than might otherwise be expected. Crude prices climbed and dipped throughout the week around the $105/bbl mark while gasoline, equally volatile, hovered around $2.65/gal. Availability for most aromatic solvents seems balanced despite hurricane related outages affecting at least one large refiner and several distributors in the USG. ARO 150 supply, however, remains very snug, particularly in the USG.

Production

Some refineries in the USG experienced delays in restarting plants following Hurricane Ike due to power outages and water damage. Sources report a refinery in Port Arthur will remain down until Tuesday or Wednesday, but some suggest it could be up to November 1st before it can ship railcar volumes. In China, due to a lack of pygas feedstock, The China National Offshore Oil Corporation will cease production ad finitum. The refinery produces 110,000 mt/year of toluene and 100,000/mt year off-spec MX.

Large Volume Activity:

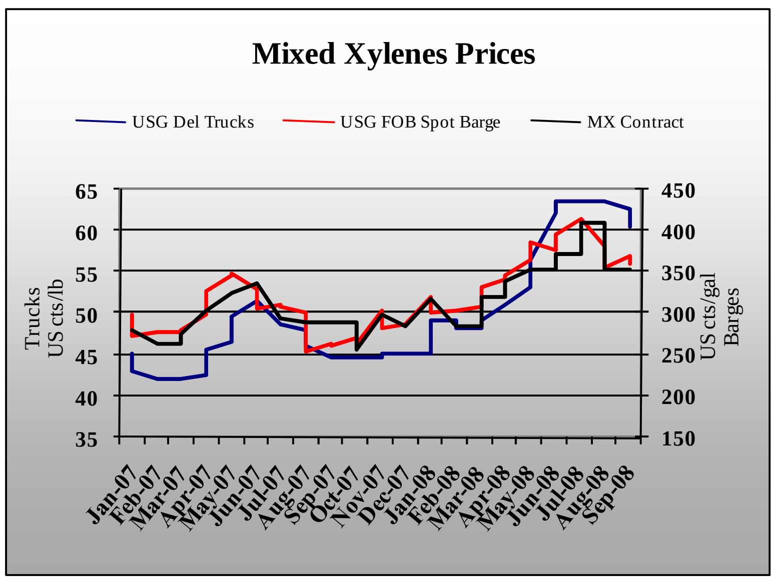
Toluene barge prices

Hurricane Ike's disruption le to delays in spot shipments but conditions continue to improve. Hurricane Ike delayed trades during the latter half of October. Talks last week centered around $3.60/gal FOB USG for September, but no trades were done. Earlier in the month trades done for October delivery were still backwardated in the mid to high $3.50/gal range.

Mixed Xylenes (MX) barge prices

MX deliveries were also disrupted due to Ike. Like toluene, talks centered around $3.60/gal FOB USG, but no trades were completed last week. Earlier in the month MX barges for delivery in October remained backwardated. The MX contract price this month was reported settled at $3.54/gal.

US Terminal Activity



Several observers reported toluene, MX and even ARO 100 terminal offers in most regions consolidated lower as demand tapered off. Meanwhile ARO 150 prices climbed over the 70 cts/lb range in some regions as several distributors competed for limited availability. Sources reported that on September 3rd, one refiner moved its ARO 150 price to 73 cts/lb FOB Corpus Christi. Another USG refiner is out of 150, and damage incurred due to Ike will prevent it from resuming production until the week of October 1st. Exxon, according to observers, is enforcing sales control on ARO 150. Early in the month marketers reported that Citgo and Sunoco lowered their aromatic prices in the Midwest to more competitive levels. Exxon nominated a 5 cts/lb increase across the board for the September 1st, but later rescinded it.

Although most aromatic offers in the **USG** reflected little change according to local distributors, availability was considered snug on a short-term basis. One influential distributor confirmed earlier in the week that it experienced storm related damage and remained unable to ship any volume, although it was working on resolving the issues. Mainstream toluene and MX offers were assessed around 55 cts/lb and 55 to 56 cts/lb respectively FOB USG. Tauber initiated the drop in prices earlier in the month when it lowered its toluene and MX prices to 55 cts/lb each.

Other distributors made similar price concessions in the latter half of the month. ARO 100 offers appear relatively stable near 63 cts/lb FOB; however ARO 150 prices were nearly 10 cts/lb higher due to constrained availability. Sources reported that ARO 150 supply was initially hampered by a large supplier that had two outages in that many months as well as reformer issues. As a result many distributors turned to Exxon and another regional supplier. Exxon, due to the increased interest, announced sales control measures. Marketers last week assessed ARO 150 distribution prices around 72 or 73 cts/lb FOB. One distributor confirmed buying volume last week at 72.50 cts/lb. Sources indicated that one large refinery may not begin production until the week of October 1st and may not be able to ship volume until the following month.

Aromatic products in the **Midwest** were also impacted by Ike, however most local distributors reported that competitive offers remained relatively stable. Toluene and MX offers remained flat and local observers assessed competitive prices around 56 cts/lb and 57 cts/lb FOB USMW respectively. Earlier in the month Citgo and Sunoco dropped their respective prices to more competitive levels in the upper 50 cts/lb range. ARO 100 and 150 were assessed around 62 cts/lb and 64 cts/lb respectively FOB. One seller reported its ARO 100 offers were between 64 and 65 cts/lb while its ARO 150 prices were around 67 or 68 cts/lb delivered USMW.

Northeastern prices to distributors remained largely unchanged last week under steady market conditions. One distributor assessed mainstream toluene offers around 58 cts/lb FOB USNE. Competitive MX offers were assessed a penny higher on the same basis. A few resellers noted toluene and MX offers from more aggressive sellers closer to 56 and 57 cts/lb on the same basis. ARO 100 and 150 prices to resellers were assessed around 62 cts/lb and 65 cts/lb FOB USNE respectively.

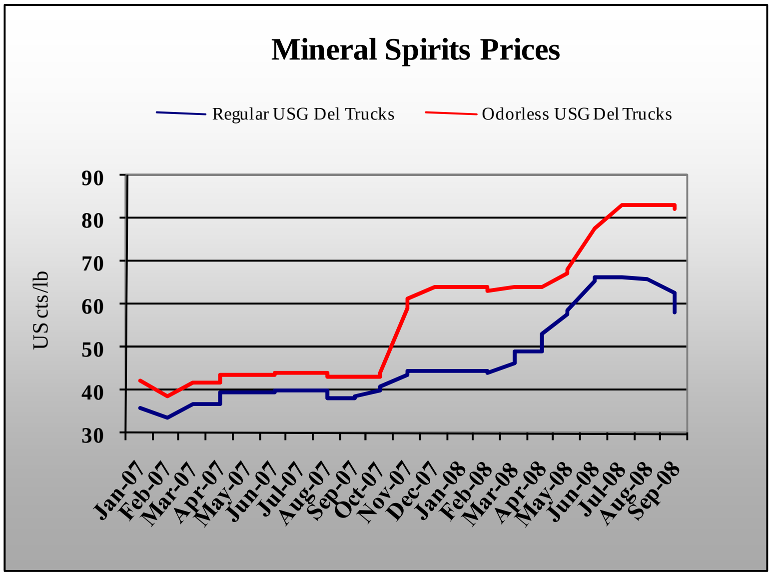
In **Southeastern** aromatic markets competitive offers appeared relatively flat. Several local marketers reported low end toluene and MX offers around 58 cts/lb for the former and 59 cts/lb for the latter delivered USSE. One distributor in Florida noted its toluene and MX prices on a delivered basis close to 60 cts/lb each, while others reported offers around 2 cts/lb higher. ARO 100 offers appeared mostly unchanged near 64 cts/lb delivered; however ARO 150 prices were quoted as high as 74 cts/lb on the same basis.

Canadian Terminal Activity

In Canada aromatic markets remained most stable after softening during the first half of September. Prices were steady after dropping below the US 60 cts/lb earlier in the month. Toluene and MX offers to resellers slipped to around US 56 cts/lb and US 57 cts/lb FOB Sarnia. Sources reported that a refinery in Montréal was offering toluene and MX near US 54 cts/lb and US 55 cts/lb FOB respectively, but the additional freight incurred from the more secluded location makes the final delivered price about the same. Distribution ARO 100 prices were quoted around US 62 cts/lb FOB E. Canada.

Aliphatic Solvents

Market Summary



Aliphatic activity, particularly in regular mineral spirits markets, remains thin. Availability for most products is balanced to long despite planned turnarounds, reduced production rates and hurricane related outages while demand seems sluggish in most regions despite more competitive prices in recent weeks. Hurricane Ike kept aliphatic prices in most regions from easing further last week since most refineries in the USG along the coastline ceased production ahead of the storm and some have experienced delays in restarting. Many observers stated that based on crude and related prices there is room for further moderation in regular mineral spirits offers linked to clean product values. Crude last week wavered between $105 and $110/bbl while heating oil hovered under the $3/gal mark.

Production

In addition to an ongoing planned maintenance outage at Goodway's plant in Alabama, several refineries in the USG as well as Midwest have experienced damage or other delays restarting after Hurricane Ike.

US Terminal Activity

Aliphatic offers seem largely unchanged in most regions. Storm related outages appeared more of a nuisance and probably had little lasting impact, although they kept offers supported last week. Large refiners remain slow to react to falling crude values by lowering aliphatic prices. Hurricane Ike disrupted some offshore drilling operations, which will likely help to limit further near term downward adjustments.

Aliphatic offers in the **USG** appeared mostly stable, although some more aggressive regular mineral spirits sellers lowered prices by a few pennies. Activity, already a bit sluggish to begin with, slowed further during the weeks after Ike. Most regular mineral spirits offers were assessed around $3.50/gal and higher FOB USG. A few observers assessed offers from one local refinery between $3.55/gal and $3.60/gal FOB Louisiana. Most OMS prices remained near $5/gal delivered USG, although some suggested a few distributors were offering volume $4.90/gal on the same basis. Some observers reported hexane and heptane offers were steady and assessed competitive offers around 75 cts/lb and 76 cts/lb FOB USG respectively.

Some regular mineral spirits offers in the **Midwest** firmed according to some sources as remnants of Ike reaped havoc on the many regional refineries. Distribution regular mineral spirits offers were assessed in a wide range between $3.70/gal and $3.90/gal FOB USMW. Corroborating the lower value, one reseller quoted its price of $3.80/gal delivered. Competitive OMS prices to resellers were reported near $4.75/gal delivered while hexane and heptane offers were deemed unchanged around 73 cts/lb and 74 cts/lb FOB.

Northeastern aliphatic markets seemed mostly steady, but some local observers report that offers will likely fall by the end of October. Regular mineral spirits distribution prices ranged between $3.80/gal and $4/gal FOB USNE. A few marketers reported more competitive offers around $3.80/gal on a delivered basis. Low end OMS offers dipped below the $5/gal market to around $4.90/gal FOB reported one market observer. Sources reported hexane offers near 72 cts/lb and hexane prices around 3 cts/lb FOB.

In the **Southeast** the low end of the range of distribution regular mineral spirits offers dipped below the $4/gal delivered mark. Regular mineral spirits prices to resellers were assessed around $3.80/gal to $3.90/gal delivered USSE. Last week one distributor confirmed it was offered a regular mineral spirits price from a large US supplier of around $3.80/gal delivered Florida. Other local observers reported regular mineral spirits offers near similar levels. OMS offers remained steadier and were deemed by some between 80 and 85 cts/lb delivered. Hexane and heptane distribution prices were assessed around 75 cts/lb each on the same basis.

Canadian Terminal Activity

In Canada aliphatic markets remain balanced with sufficient availability and steady, if not thin, demand. Regular mineral spirits offers to resellers in Canada were assessed at lows near US 60 cts/lb FOB E. Canada. One distributor noted that while offers slid throughout September, its price only dipped to around 61.50 cts/lb on the same basis. A few observers reported OMS remained largely unchanged and assessed competitive offers near US 82 cts/lb or US 82.50 cts/lb FOB.

NOTICES

- Please direct all comments and/or questions about this report to Ashley Rock at ARock@chemicalintelligence.com or George West at gswest@chemicalintelligence.com

Solvent Prices

***Prices in italics subject to change pending final settlement**

North American Terminals

	DEL USG cts/lb		DEL USMW cts/lb		DEL USNE cts/lb		DEL USSE cts/lb		DEL E. CAN cts/kg		DEL W. CAN cts/kg	
Oxygenated												
IPA	88.50 - 96.00	-1%	90.00 - 96.00	-1%	89.00 - 94.00	-1%	90.00 - 95.00	-1%	208 - 218	0%	213 - 223	0%
Acetone	78.00 - 84.00	-1%	80.00 - 85.00	-1%	80.00 - 85.00	-1%	80.00 - 85.00	-1%	171 - 177	0%	176 - 180	0%
MEK	88.00 - 93.00	0%	89.00 - 94.00	0%	88.00 - 93.00	0%	89.00 - 95.00	0%	200 - 210	0%	215 - 225	0%
MIBK	105.00 - 126.00	7%	105.00 - 120.00	2%	105.00 - 120.00	7%	105.00 - 120.00	2%	245 - 255	6%	250 - 260	6%
Aromatic												
Toluene	57.00 - 62.00	0%	57.00 - 64.00	0%	59.00 - 64.00	0%	59.00 - 66.00	0%	130 - 140	0%	135 - 145	0%
Xylenes	58.00 - 63.00	0%	58.00 - 65.00	0%	60.00 - 65.00	0%	60.00 - 67.00	0%	132 - 142	0%	137 - 147	0%
ARO 100	64.00 65.00	1%	63.00 - 65.00	0%	63.00 - 65.00	0%	62.00 - 66.00	0%	139 - 149	0%	144 - 154	5%
ARO 150	75.00 - 76.00	17%	67.00 - 70.00	5%	67.00 - 70.00	5%	69.00 - 75.00	11%	147 - 157	5%	152 - 162	5%
Aliphatic*												
Mineral Spirits HI	56.50 - 60.00	-7%	58.50 - 61.00	-2%	58.00 - 64.00	-2%	58.00 - 64.00	-5%	128 - 138	-6%	133 - 143	-6%
Mineral Spirits OMS	80.00 - 84.00	-1%	80.00 - 84.00	-1%	81.00 - 85.00	-1%	81.00 - 89.00	-1%	180 - 190	0%	185 - 195	0%
Hexane	72.00 - 75.00	0%	71.00 - 74.00	0%	73.00 - 76.00	0%	71.00 - 73.00	0%	158 - 168	0%	163 - 173	0%

Large Volume Spot

	FOB USG Barge		FOB USG Export ($/MT)	
Toluene (cts/gal)	355 - 365	-6%	1067 - 1077	-4%
Xylenes (cts/gal)	355 - 365	0%	1072 - 1082	0%
Acetone (cts/lb)	65 - 70	0%	1423 - 1433	0%

US Net Contract

(cts/lb)

	Sep	Aug	Jul
IPA	*91.00 - 95.00*	93.00	93.00
Phenol	*92.00 - 97.00*	94.50	84.50
Acetone^	*63.00 - 68.00*	71.50	70.00
MEK	*93.00 - 97.00*	95.00	75.00
MIBK	*115.00 - 120.00*	107.50	85.00
MX (cts/gal)	*354 - 354*	354.00	373.00

AVG is the average of high and low at end of month

^ Barge contracts to MMA accounts

Prices in italics subject to change

Freight

USG toNWE	$57/mt
NWE to USG	$43/mt
Terminal upcharge to USMW	4 cts/lb

* HI = "regular" with aromatic content above 8%, OMS = aromatics below 0.01%

Shipments of Solvents Reported

Product	Ship	Quantity in MT	Source	Discharge	Lifting	Freight US$/mt
Benzene	*N/A*	*4,500*	*Middle East*	*Qatar*	*2H May*	*N/A*
BTX	*N/A*	*10,000*	*NWE*	*E. Can*	*2H May*	*N/A*
MX/Toluene	*N/A*	*10,000-15,000*	*S. Italy*	*N. Italy*	*1H May*	*N/A*
Mixed Aromatics	*Royal Peridot*	*2,000*	*Yosu*	*Jebel Ali*	*1H May*	*$79*
Benzene	*N/A*	*4,500*	*BIK*	*Qatar*	*1H May*	*N/A*
Benzene	*N/A*	*12,000*	*BIK*	*Al Jubal*	*1H May*	*N/A*
Benzene	*N/A*	*5,000*	*BIK*	*WCI*	*2H April*	*N/A*
Benzene	*N/A*	*6,000*	*BIK*	*WCI*	*2H Apr*	*N/A*
BTX	*N/A*	*10,000*	*St. Croix*	*USG*	*2H Apr*	*N/A*
MX	*N/A*	*3,000- 5,000*	*USG*	*MPFE*	*2H Apr*	*N/A*
Toluene	*N/A*	*3,000*	*ARA*	*USEC/USC*	*1H Mar*	*N/A*
Toluene	*N/A*	*5,000-10,000*	*ARA*	*USG*	*1H Mar*	*N/A*
Acetone	*N/A*	*2,000-4,000*	*Mobile*	*China*	*1H Mar*	*N/A*
Phenol	*N/A*	*2,000-4,000*	*USG*	*China*	*1H Mar*	*N/A*
Benzene	*N/A*	*15,000*	*Middle East*	*Al Jubal*	*1H Mar*	*N/A*
Toluene	*N/A*	*6,500*	*Mediterranean*	*USG*	*1H Mar*	*N/A*
Toluene	*N/A*	*6,000-10,000*	*Mediterranean*	*USG*	*1H Mar*	*N/A*
Acetone	*N/A*	*1,000*	*Italy*	*Japan*	*1H Mar*	*N/A*
Benzene	*N/A*	*15,000*	*Middle East*	*Middle East*	*1H Mar*	*N/A*
BTX	*N/A*	*40,000*	*Korea*	*USG*	*1H Mar*	*N/A*
BTX	*N/A*	*10,000*	*Caribbean*	*USG*	*1H Mar*	*N/A*
BTX	*N/A*	*10,000-15,000*	*Korea*	*USG*	*1H Mar*	*N/A*

*Spot shipments listed are not exhaustive and freight rates are in some cases estimated.

Solvents Units
Planned & Unplanned Outages

Company	Product	Location	Cap. (mt/yr)	Dates	Details
Ineos	Phenol/Acetone	Theodore, AL	400,000/195,000	October 2008	Planned T/R
Georgia Gulf	Phenol/Acetone	Plaquemine, LA	226,800/138,345	September 2008	10 day Electrical Outage
GE	Phenol/Acetone	Mount Vernon	322,050/195,000	Aug – Sep 2008	6 wk planned T/R
Polimeri	Phenol/Acetone	Italy, Europe		August 2008	Maintenance Outage
Goodyear	Acetone	Bayport, TX	6,800	Aug – Nov 2008	Planned T/R
Sunoco	ARO 100/150	Toledo, OH		April – May 2008	Planned T/R
Jilin Chemical	MIBK	Jilin Province	30,000	May 2008	Planned T/R
Dow	Phenol/Acetone	Freeport, TX	650,000/395,000	March 2008	Planned T/R
Sunoco	Aromatics	Toledo, OH		March 2008	Change reformer catalyst

Current Exchange Rates		
Currency	*USD/1 unit*	*1 unit/USD*
Canadian Dollar	$0.97	$1.04
Chinese Yuan Renminbi	$0.15	$6.83
Euro	$1.47	$0.68
British Pound	$1.85	$0.54
Japanese Yen	$0.01	$106.09
Mexican Peso	$0.09	$10.82

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