

PETROCHEM WIRE OLEFINS METHODOLOGY/EXPLANATION

PetroChem Wire publishes via daily email and on its website (www.petrochemwire.com) bids and offers for ethylene and refinery grade propylene as they are understood to be true at the close of each trading day. Bid and offer information is published for the three ethylene systems (Equistar, Williams, Choctaw) and RGP (Mont Belvieu delivery) and are separated into front-month and next-month delivery.

PetroChem Wire spot market olefins information is gathered from the market at large. All bids and offers are directly confirmed to be firm and valid by editors employed by PetroChem Wire LLC. Bid and Offer information is published for the three Ethylene systems (Equistar, Williams, Choctaw), RGP and PGP (Mont Belvieu delivery) and are separated into Front-Month and Next-Month delivery.

PetroChem Wire publishes confirmed “Done Deals” each day on its website. Deals must be reported and confirmed by at least one deal participant. Published deals must also include confirmed volume, delivery month and transmission system. Only deals with an outright price are published by **PetroChem Wire**. Deals concluded on an index basis are not published by **PetroChem Wire**. Ethylene deal information is published for the three “open” pipeline systems (Mont Belvieu - Equistar, Mont Belvieu - Williams, Louisiana - Choctaw). RGP and PGP deal information is published for material that is transacted at one location (Mont Belvieu - Enterprise), transacted on FOB basis only, in any transmission mode which may include pipeline, truck, rail or rack at that location.

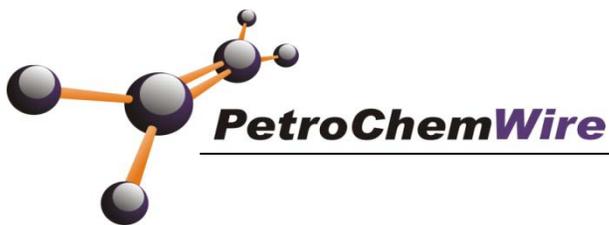
PetroChem Wire also publishes a Closing Price for each day for ethylene’s current month and next-month as well as a current-month closing price for PGP and RGP. The ethylene price reflects Mont Belvieu-area delivery in the Williams system. The PGP and RGP prices reflect Mont Belvieu-area delivery. This price is this system’s midpoints of best bids and best offers at 5 pm Eastern Time. In the absence of well-defined closing bids and/or offers, the best available information based on the day’s confirmed trades and earlier bids and/or offers can be used in addition to the subjective decisions of the editors, who reserve this right. **PetroChem Wire** also publishes an ethylene forward curve for 24 months. These prices include firm closing prices using the above methodology. In the absence of firm bids and offers for months 3-24, delta correlations from the forward NGLs markets may be applied to ethylene’s closing prices for months 1 and 2.

PetroChem Wire publishes a weighted monthly average price for ethylene and refinery grade propylene on the 1st business day of each month, which is emailed to each subscriber, along with a price summary of the deals used to calculate that average. Weighted average prices are determined by dividing the sum of deal prices by the sum of deal volume for a calendar month. Volumes used to calculate the averages are published in aggregate form. Monthly average prices are published for the three ethylene systems (Mont Belvieu - Equistar, Mont Belvieu - Williams, Louisiana - Choctaw) and RGP (Mont Belvieu - Enterprise) and are separated into current month and next-month delivery.

PetroChem Wire publishes a Mid-month Weighted Average of Olefins deals concluded from the 16th day of the previous month through the 15th day of the current month for the same delivery month, i.e. all February deals concluded from January 16 through February 15.) Volumes used to calculate the averages are published in aggregate form only. Monthly average prices are published for the three Ethylene systems (Equistar, Williams, Choctaw) and RGP.

PetroChem Wire publishes a 45-day Weighted Average of Ethylene deals concluded from the 16th day of the previous month through the final trading day of the current month for the same delivery month, i.e. all February deals concluded from January 16 through February 29.) Volumes used to calculate the averages are published in aggregate form only. Monthly average prices are published for the three Ethylene systems (Equistar, Williams, Choctaw). Deals included in PCW weighted average indexes must be confirmed within the reporting timeframe. PCW will not revise the indexes for deals reported after publication.

PetroChem Wire editors must reserve the right to exercise editorial judgment in not including a deal in weighted price averages, and must document why a deal is dismissed, to be able to best respond to possible questions from market participants about its dismissal. Typical reasons include inability to confirm transportation mode, delivery system identity, counterparty identity and deal volume. Averages are published at midday of the 1st or 16th of each month to ensure that all deals used in average are captured for report purposes. **PetroChem Wire** weighted average prices can be customized by request for specific time periods.



DEFINITION OF TERMS

Bid: An offer to buy.

Offer: An offer to sell.

Spot market: Individual transactions of mutually agreed volume, price and delivery that is separate from monthly supply contract agreements.

Outright price: A spot market deal price that is not relative to another price, such as an index, a supply contract or another month. Example of an outright price: 50 cents per pound. Examples of other types of spot market deal pricing: Sell January, buy back March at 1 cent per pound; January PCW weighted average; 2 cents below January contract.

Front-month: When a bid, offer or deal specifies delivery for the same month as the negotiation. Example: On January 2, bids, offers and deals for material to be delivered in January, it is a front-month bid, offer or deal.

Next-month: When a bid, offer or deal specifies delivery for the next month relative to the negotiation. Example: On January 2, bids, offers and deals for material to be delivered in February, it is a next-month bid, offer or deal.

Reported: Information communicated directly to PetroChem Wire editors via telephone, instant messenger or email.

Internally document: Documents that are written by PetroChem Wire editor with respect to an editorial decision and are emailed to Executive Editor for retention. Such documents when created by Executive Editor are emailed for retention backup by Senior Editor.

“Close of each business day”: There is no formal start or close of a “trading session” in the US Olefins market. As such, information is generally gathered from 8 am to 6 pm US Central Time, but may be extended if information is discovered outside of those hours.

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