

CHEMSYSTEMS PPE PROGRAM

Macroeconomic Assumptions and Crude Oil Price Scenarios

June 2010



Griffin House, 1st Floor South, 161 Hammersmith Road, London W6 8BS, UK
Tel: +44 20 7950 1600 Fax: +44 20 7950 1550

This Report was prepared by Nexant, Inc ("Nexant") and is part of the ChemSystems Online® suite. Except where specifically stated otherwise in this Report, the information contained herein is prepared on the basis of information that is publicly available, and contains no confidential third party technical information to the best knowledge of Nexant. Aforesaid information has not been independently verified or otherwise examined to determine its accuracy, completeness or financial feasibility. Neither NEXANT, Subscriber nor any person acting on behalf of either assumes any liabilities with respect to the use of or for damages resulting from the use of any information contained in this Report. Nexant does not represent or warrant that any assumed conditions will come to pass.

The Report is submitted on the understanding that the Subscriber will maintain the contents confidential except for the Subscriber's internal use. The Report should not be reproduced, distributed or used without first obtaining prior written consent by Nexant. Each Subscriber agrees to use reasonable effort to protect the confidential nature of the Report.

Copyright © by Nexant Inc. 2010. All rights reserved.

Contents

Section	Page
1 Introduction	1-1
1.1 AIM OF THIS REPORT	1-1
1.2 NEXANT'S 2010 SCENARIO OUTLINE	1-2
1.3 SCENARIO DEFINITION.....	1-3
2 Energy Pricing	2-1
2.1 CRUDE OIL	2-1
2.2 NATURAL GAS	2-12
2.3 ETHANE	2-14
2.4 POWER	2-16
3 Economic Growth	3-1
3.1 INTRODUCTION	3-1
3.2 HISTORICAL REVIEW	3-2
3.3 PROJECTIONS OF ECONOMIC GROWTH (MEDIUM CRUDE OIL SCENARIO).....	3-3
3.4 REGIONAL ECONOMIC PERFORMANCE.....	3-5
4 Inflation	4-1
5 Exchange Rate	5-1
5.1 FORECASTING METHODOLOGY AND ASSUMPTIONS	5-1
5.2 THE EURO.....	5-2
5.3 THE YEN	5-4
5.4 THE RENMINBI.....	5-6
6 Petrochemical Industry Assumptions	6-1
6.1 PETROCHEMICAL INDUSTRY ASSUMPTIONS.....	6-1