ExxonMobil PP Market Insights - Bringing Value to Our Customers Issued in March 2023

ExconMobil



North America: Feedstock price volatility continues, value chain inventory rebalancing

PGP continues to exhibit high volatility; exceeding historic crude correlation level in 1Q23

PGP availability from PDHs impacted by outages and planned maintenance causing spot price rise; consumption capacity outpacing supply addition.



PP converters drafted inventory to below 2020 levels in 4Q22; overall position recovered vs. '21



Global logistics prices ease, but schedule reliability still challenged; AP incremental production unaffordable

Majority of spot lanes fall to pre-Covid pricing levels on fewer container movements

Lowest Far East → US/EU since 1Q20

Schedule reliability showing improvement; still yet to return to pre-pandemic norms (~50% vs. 70%+)



South East Asia PP prices rise through beginning of 2023; producers unable to afford merchant propylene

Despite pricing run up, fails to support incremental supply



Source: Platts, EM estimates

ExxonMobil PP Market Insights



ExxonMobil doubles polypropylene production at Baton Rouge

- Startup of new polypropylene unit increases capacity to meet growing demand for high-performance products
- Polypropylene is used in everyday products, including lightweight auto parts that improve fuel efficiency
- Expansion project generates economic development and jobs

IRVING, Texas — ExxonMobil has announced the successful startup of its new polypropylene production unit at the Polyolefins Plant in Baton Rouge, Louisiana.

The unit increases polypropylene production capacity along the Gulf Coast by 450,000 metric tons per year, meeting growing demand for high-performance, lightweight and durable plastics, particularly for automotive parts that can improve fuel efficiency and reduce vehicle emissions. Polypropylene, a polymer with several applications, is also used to improve the safety and efficiency of everyday products like medical masks and food packaging.

"With the startup of this new production unit, we are well positioned to responsibly meet the growing global demand for these high-performance polymers," said Karen McKee, president of ExxonMobil Product Solutions. "The ingenuity of our people and our investments in technology enable us to produce high quality products that are essential to daily life."

ExxonMobil maintained its investments in this advantaged project through the COVID pandemic and related economic downturn. The total capital investment was more than \$500 million. ExxonMobil's extensive mega-project management experience and unrivaled technology capability enabled the unit to start up according to planned cost and schedule.

During construction, the project employed more than 650 workers and with full operational status, requires an additional 65 full-time ExxonMobil jobs.

ExxonMobil's integrated operations in Baton Rouge include a more than 500,000 barrel-per-day refinery, as well as chemical, lubricants, polyolefins and plastics manufacturing. ExxonMobil has more than 5,500 employees and contractors in the Baton Rouge area and its operations account for approximately one in every 10 jobs in the region.

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