



MSAT II Regulations And Their Effect On US Xylenes & Pricing

DeWitt & Company just finalized an analysis of MSAT II Limits on Benzene in US Gasoline. The EPA intensive research that went with the regulation was followed by a DeWitt interpretation of how the regulation will impact benzene supply and trade in market terms.

DeWitt's findings revealed profound changes to benzene production and trade in the US, with impact on import patterns and price ramifications. Effects on toluene were also analyzed, and while less of an impact was identified, more capacity to extract will have repercussions on US trade, production and price as well.

As the aromatics industry faces the alternatives to meet MSAT II for benzene, the ramifications in xylenes are varied. Depending on where benzene excess resides, new separation capacity may be required for C8's. DeWitt concludes that primarily refiners currently involved in the BTX business will be prone to make investments to increase capacity. Only a few exceptions to this argument were found in our recent work in benzene under MSAT II.

With an extensive database created for the previous research, DeWitt will analyze the likely results of the regulations for xylenes and will report on the findings of:

- ◆ Probable xylenes separation capacity
- ◆ Probable disposition for additional mixed xylenes
 - ◆ Export
 - ◆ Blending
 - ◆ New PX with recent PET expansion announcements?
- ◆ Pricing parameters under supply scenarios of
 - ◆ Moderate excess
 - ◆ Unchanged conditions

Schedule & Fees – The report will be ready for delivery to clients by September 5, 2007. Pre-subscription fee by August 15 will be \$2000 for clients that already subscribed to the Benzene MSAT II Study and \$4000 for other clients. Post-August 15 fees go to \$3000 and \$5000. Extra copies will be available for \$200

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