**SCGC’s Agility and Commitment: Driving LSP Vietnam’s Long-Term Competitiveness**

**Through Secured Ethane Feedstock, Reliable Storage Tank Contractors,**

**and Timely Ship Construction**

**Bangkok – February 27, 2025** – SCG Chemicals, or SCGC, announced the latest progress on the ethane feedstock enhancement project at the Long Son Petrochemicals Complex (LSP) in Vietnam (LSPE Project). **The project has reached another key milestone with preparations underway for the construction of ethane storage tanks. LSP has entered into an Engineering, Procurement, and Construction (EPC) contract for the ethane storage tanks, with construction expected to be completed by the end of 2027.** LSP is the first petrochemical complex in ASEAN to utilize imported ethane from the United States as feedstock, which will significantly lower feedstock cost by more than 30% compared to the current naphtha price. This development will also enhance feedstock flexibility and more environmentally friendly, preparing LSP for the anticipated recovery of the petrochemical market in the region.

**Sakchai Patiparnpreechavud, Chief Executive Officer & President of SCGC**, said: "As SCGC previously announced the project to enhance feedstock flexibility with ethane feedstock, its supply chain to LSP includes: 1) an ethane supply agreement with export terminal, 2) Very Large Ethane Carriers (VLECs), and 3) specifically designed storage tanks for ethane, which has different properties compared to basic LNG and propane. The company has already secured a 15-year long-term ethane supply agreement from the United States and successfully secured the first lot of three VLECs last January.”

“Regarding the latest progress, the company has pushed efforts to engage internationally recognized contractors with extensive experience in large-scale projects to construct the specialized ethane storage tanks. The tank construction is another critical element in this project. A consortium of China Tianchen Engineering Corporation and PetroVietnam Technical Service Corporation, a member of Vietnam Oil & Gas Group (PetroVietnam or PVN), has been selected as a contractor for the two tanks, with a capacity of approximately 55,000 tons per tank. These tanks will accommodate 1 million tons of ethane per year. We are confident that the LSPE project will be completed as planned by the end of 2027."

The ethane storage tanks to be installed at the LSP plant are designed with full containment featuring a double-walled structure, with the outer wall and roof made of concrete and the inner wall constructed from special-grade metal. Each tank, with a capacity of approximately 55,000 tons, is designed to safely store ethane at a temperature as low as -90 degrees Celsius. In addition, LSP is also preparing to enhance its production processes and upgrade supporting facilities to accommodate the feedstock.

"Regarding the 15-year charter agreements for five VLECs to carry ethane from the United States to Vietnam, the charter agreement for the first lot of three vessels has already been signed with Mitsui O.S.K. Lines (MOL), while The charter agreement for the remaining two vessels are currently in progress and are expected to be finalized soon," added Sakchai.

"The LSPE project’s estimated investment is approximately 500 million USD, or approximately 18,000 million Baht, funded by SCG's internal sources. In the past, importing ethane from the United States for use in the petrochemical industry faced several limitations, such as constraints in the ethane storage and export capability from the United States, the long lead time and specialized construction of VLECs, and securing ethane supply through long-term agreement. However, after assessing the project’s feasibility, SCGC promptly executes it in order to enhance competitiveness and significantly lower costs for the LSP plant, preparing for the recovery of the regional petrochemical market," concluded the Chief Executive Officer and President of SCGC.

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***About SCGC***

SCG Chemicals, or SCGC, is a leading integrated polymer business committed to sustainability. With major production bases in **Thailand, Indonesia, and Vietnam,** SCGC operates across the entire polymer supply chain from upstream olefins to downstream products. The company produces three main types of plastic resins**: Polyethylene (PE), Polypropylene (PP), and Polyvinyl Chloride (PVC).** SCGC is dedicated to **"INNOVATION THAT’S REAL",** driving economic growth in the ASEAN region while enhancing people's quality of life through ESG principles. The company focuses on developing **High Value Added (HVA) products and services,** as well as environmentally friendly solutions under the **Low Waste, Low Carbon** approach. These include **Green Polymers,** marketed under the **SCGC GREEN POLYMERTM**, designed to meet diverse market needs and align with global megatrends.SCGC’s innovative solutions cover **infrastructure, packaging, consumer goods, automotive, and energy sectors,** all while ensuring sustainable social and environmental responsibility.For more information, visit: [www.scgchemicals.com](http://www.scgchemicals.com)

***About LSP***

Long Son Petrochemicals Company Limited (LSP), a subsidiary of SCGC, is the first integrated petrochemicals complex in Vietnam. Operating under ESG principles for sustainable development, LSP meets world-class production standards with facilities including polyolefin production, chemical storage, and centralized utilities. The project aims to drive the growth of Vietnam’s petrochemical industry by reducing imports, promoting the downstream industry, and contributing to long-term economic growth while improving the quality of life for the population. For more information, visit [www.lsp.com](http://www.lsp.com)

***About China Tianchen Engineering Corporation***

China Tianchen Engineering Corporation (TCC) is an international engineering company founded in 1953, formerly known as the First Design Institute under the Ministry of Chemical Industry of China. TCC has successfully accomplished over 2,000 large and medium-sized projects covering research and development, consulting, design, construction, and project general contracting all over the world. For more information, visit [https://en.china-tcc.com](https://en.china-tcc.com/)

***About PetroVietnam Technical Service Corporation***

PetroVietnam Technical Service Corporation (PTSC), a member of Vietnam Oil & Gas Group (PetroVietnam or PVN), was founded in 1976. PTSC is a leading contractor in Vietnam and the region, providing technical services for the oil and gas, energy, petrochemical, refinery, and other industrial sectors with high-quality technical solutions and professional operations adhering to international standards. For more information, visit [www.ptsc.com.vn/en-US/home](http://www.ptsc.com.vn/en-US/home)