**SCGC Progresses Towards Greater Cost Efficiency**

**with Imported Ethane at its LSP Vietnam Complex,**

**Recently Wraps Up and Secures Multiple Vessels for Long-Term Transportation of Ethane**

**for Operational Stability**

**Bangkok – March 18, 2025** – SCG Chemicals, or SCGC, has announced progress on the project to enhance feedstock flexibility by utilizing ethane at the Long Son Petrochemicals (LSP) plant in Vietnam (LSPE project). **Most recently, the company has signed 15-years long-term time charter agreement for two additional Very Large Ethane Carriers (VLECs) to transport ethane from the United States to Vietnam, bringing the total of five vessels as planned, securing a long-term transportation of 1 million tons of ethane per year for the project.** SCGC has reaffirmed its commitment to accelerating the project, confident that using ethane as an alternative feedstock will enhance LSP’s cost competitiveness while being more environmentally friendly by reducing greenhouse gas emissions. The project is expected to be completed by the end of 2027, aligning with the anticipated recovery of the petrochemical market in region.

**Sakchai Patiparnpreechavud, Chief Executive Officer & President of SCGC, provided the latest update on the LSPE project, saying,** “SCGC has signed a long-term time charter agreement for two additional Very Large Ethane Carriers (VLECs) with Mitsui O.S.K. Lines, Ltd. (MOL), a global liquified natural gas carriers’ shipowner, through its subsidiaries. This agreement increases the total fleet to five vessels, following the initial three secured in January 2025. Under the agreement, MOL group will transportation service of ethane from the United States to Vietnam for 15 years. The expansion of the VLECs fleet aligns with the LSPE project’s supply chain strategy to boost operational efficiency and reduce long-term transportation risks.”

“The ethane supply chain for the LSP plant is now fully established, comprising of 1) The ethane supply agreement and export terminal; 2) Time charter agreements for five Very Large Ethane Carriers (VLECs); and 3) The engineering, procurement, and construction of feedstock storage facilities specifically designed for ethane. The company has now completed all these steps and is ready to accelerate to the next phase,” **said the Chief Executive Officer & President of SCGC.**

“The LSPE project has an estimated investment of approximately USD 500 million, or about 18,000 million Baht, sourced from SCG’s internal funding, with the majority allocated to feedstock storage tanks construction. The LSP plant was already designed with gas feedstock flexibility, allowing to immediately modify plant to receive ethane as a feedstock. The LSP plant in Vietnam is the first in ASEAN to utilize ethane from the United States as a feedstock, which significantly reduce cost by over 30% compared to current naphtha price,” concluded the Chief Executive Officer & President of SCGC.

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***About SCGC***

SCG Chemicals or SCGC is a leading integrated chemical player in ASEAN with strategic bases in Vietnam, Indonesia, and Thailand, offering a full range of petrochemical products ranging from upstream production of olefins to downstream production of 3 main plastics resins: polyethylene, polypropylene, and polyvinyl chloride. SCGC focuses on inventing “Innovation That’s Real” to drive the ASEAN economy and elevate the quality of life in accordance with ESG and circular economy. SCGC develops technology and innovation toward HVAs in infrastructure, consumable packaging, automotive, health and well-being, and energy solutions, while ensuring sustainable environmental stewardship. 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 Mitsui O.S.K. Lines***

Mitsui O.S.K. Lines, Ltd. is a global leading shipping company, operating on a global scale with about 900 vessels in service. The company develops various social infrastructure businesses centered on ocean shipping, as well as technologies and services to meet ever-changing social needs including environmental protection. The MOL fleet includes dry cargo ships, liquefied natural gas (LNG) carriers, car carriers, and tankers. In addition to the traditional shipping businesses, MOL also offers wellbeing & lifestyle businesses such as real property, terminal operation, and ferry service, as well as social infrastructure businesses such as logistics and offshore wind power. For more information, visit <https://www.mol.co.jp/en/>