



MARKETS EXCITED ABOUT ZAPSIBNEFTEKHIM

SIBUR presented ZapSibNeftekhim's capabilities to European markets.

In early February, Rotterdam, Netherlands, hosted the 5th Annual European Petrochemicals Conference organised by the Platts international agency. SIBUR presented its ZapSibNeftekhim project, which is scheduled to be completed in 2019, and talked about its potential to meet the European market's demand for polymers. Andrey Zotov, Head of Product Marketing at SIBUR, commented on the conference and the expectations that European clients have about ZapSibNeftekhim's products.

PLATTS

Founded in 1909, Platts is an international provider of information and analytics focused on energy and commodities. A division of S&P Global, Platts is headquartered in London and provides analytics and benchmark prices for the energy and commodities markets and hosts over 200 industry events each year, including conferences, free forums, and webinars. In February 2018, Platts held its 5th Annual European Petrochemicals Conference.

Andrey Zotov, ,

Head of Product Marketing, SIBUR's Basic Polymers Division:

"The Platts conference is among the largest industry events held in the European Union. It brings together more than 100 participants from across the world, from the Middle East to Europe and Americas. The agenda covers key trends and developments in the global petrochemical market.

Global demand for petrochemicals is growing at a fairly moderate pace. New production facilities are being launched primarily in emerging countries or those providing cheap raw materials, with the US (on the back of its shale revolution) and the BRICS nations leading the pack. In China, the introduction of new capacities is driven by robust demand, and in Russia, SIBUR is completing the construction of the largest production facility in Europe.

Europe's developed economies have long ceased to invest in petrochemical production because of the lack of raw materials and the long time required for projects to pay back. The trend in Europe is to focus on refining and small and medium businesses that rely on petrochemical products. Large-scale plants like the one by SIBUR are a real eye-opener for Europe.

At the conference, I presented our new projects, progress at ZapSibNeftekhim, and its importance for Europe and the CIS. We also played a video from the construction site. The conference's participants were truly excited about the project, with many amazed by the

idea that the construction of this scale can be on schedule and completed as expected. The petrochemical industry, including the Russian one, has seen quite a lot of projects that have been announced but never implemented. By contrast, our project is even ahead of schedule and already at the final stage of construction.



ZapSib construction site.

The EU representatives demonstrated the strongest interest in ZapSibNeftekhim, particularly in its grade offering, types of products and ways of delivery to the European market. SIBUR has been investing in the plant with largest volumes in Europe – something that is bound to have an impact on markets both in Russia and internationally.

ZapSibNeftekhim as of February 2018.

We received some very positive feedback from the Platts conference's organisers and participants. I would describe their overall sentiment towards ZapSibNeftekhim as a mix of excitement and surprise. No one expected to see our project more than 70% completed, with the first products hitting the target markets in less than two years. It is the first time that Europe, spanning from its traditional borders in Portugal to the Urals, is home to the petrochemical facility of such an extraordinary magnitude.”

