

1-HEXENE PRODUCTION FROM ETHYLENE

IN THE UNITED STATES

PREVIEW

PREMIUM EDITION

BY INTRATEC SOLUTIONS LLC

COMMODITY PRODUCTION COSTS

REPORTS COLLECTION

BY INTRATEC SOLUTIONS LLC

VOLUME

HEXENE PRODUCTION

ISSUE

1-HEXENE PRODUCTION FROM ETHYLENE

COUNTRY OF ANALYSIS

UNITED STATES

SERIES

PREVIEW

EDITION

PREMIUM

DEVELOPED BY

INTRATEC SOLUTIONS LLC

REPORT CODE

INTRATEC-ICC-PREV-279-A-PREM-USA

This report is part of a series of reports prepared by Intratec approaching the production costs of commodities spanning a diverse range of industries: Oil & Energy; Fertilizers & Gases; Olefins & Derivatives; Aromatics & Derivatives; Alcohols & Organic Acids; Polymers; Inorganic Chemicals; Food & Nutrition; Metals & Mining; and Pharmaceuticals.

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IMPORTANT NOTICE

This document is a preview report provided by Intratec, showcasing the full structure of a cost analysis related to 1-Hexene Production from Ethylene.

To protect proprietary data, numerical values have been replaced with “X” placeholders and charts have been intentionally blurred. Nonetheless, this preview faithfully reflects the structure and depth of the commercial report, including the types of tables, charts, and descriptions presented.

Intratec offers multiple preview and sample reports to support purchasing decisions. Therefore, free trials are not available.

An up-to-date commercial report about this technology can be purchased at www.intratec.us/icc/279-A.

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Abstract

This report presents a manufacturing cost analysis of 1-Hexene production from ethylene. The process examined is similar to the trimerization process owned by Chevron Phillips. In this plant, ethylene is trimerized using a chromium-containing catalyst system, yielding 1-Hexene product.

This report examines the capital costs of a 1-Hexene plant and the continuing operating costs associated with the plant. The analysis assumes a plant based in the United States with a capacity of 200,000 mt of Hexene per year and includes:

* 1-Hexene plant capital cost details, including ISBL, OSBL and Contingency; owner's cost; working capital; and costs incurred during industrial plant commissioning and start-up.
* Operating cost, broken down by variable costs (raw materials, utilities); fixed costs (maintenance, operating labor, plant overhead, property taxes and insurance); and depreciation.
* Raw materials consumption, products generation, and labor requirements.
* 1-Hexene production process information including block flow diagram (BFD), process flow diagram (PFD) and description of industrial site installations.

This report was developed based essentially on the following reference(s):

US Patent 6455648, issued to Chevron Philips Chemical Company in 2002

Keywords: Linear Alpha Olefins, LAO, Ethylene, Trimerization, Chevron Phillips

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Revision Control

The following pages present a history of revisions and main changes made in the last updates of the report "1-Hexene Production from Ethylene." The changes in each revision are classified according to the types presented below:

* Fix: errors correction in a released report (e.g., typos, wrong descriptions/economic figures).
* Update: changes made by the Intratec team in the release of a new Series of reports (e.g., change of a technical parameter published in a more recent patent).
* Improvement: structural changes common to all Intratec Commodity Production Costs reports aiming to improve the accuracy of presented estimates or reader's comprehension of reports.

Report Revision History – Series XXXX

Rev. 0	Original

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Report Changes History – Previous Series

The list below presents the main changes made in the “1-Hexene Production from Ethylene” report released in previous Series.

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Preamble

Understanding Intratec Commodity Production Costs

Reports Organization

Intratec Commodity Production Costs is a set of best-in-class professional reports that can be understood as an encyclopedia approaching plant capital and operating costs of commodities' manufacturing processes. The Intratec Commodity Production Costs reports are organized in a particular fashion, as shown in the diagram presented on the next page. The diagram shows that the reports are organized in Quarterly Series according to the period of the economic analysis presented. Every new quarter Intratec reviews the entire Series – new reports are developed, and existing reports are updated. After the release of a new Series, the reports from previous Series stop being sold. Currently, each Series includes more than 800 reports.

The reports Series are divided into Volumes, with each Volume focusing on processes for manufacturing a specific commodity. The entire Series approaches more than 250 commodities (Volumes), spanning a diverse range of industries. Each Volume, in turn, is composed of Issues, each one targeting a specific industrial process to produce the respective commodity.

Each report is identified by a unique code, containing the information on Series, Volume, Issue, Edition, and Location used as basis in the economic analysis. An example of code is shown below.



HOW INTRATEC COMMODITY PRODUCTION COSTS REPORTS ARE ORGANIZED

SERIES

Every quarter all reports are updated and the entire series is reviewed. Intratec does not sell reports from previous series.

VOLUMES

Set of issues (reports) targeting the production of a specific commodity.

ISSUES

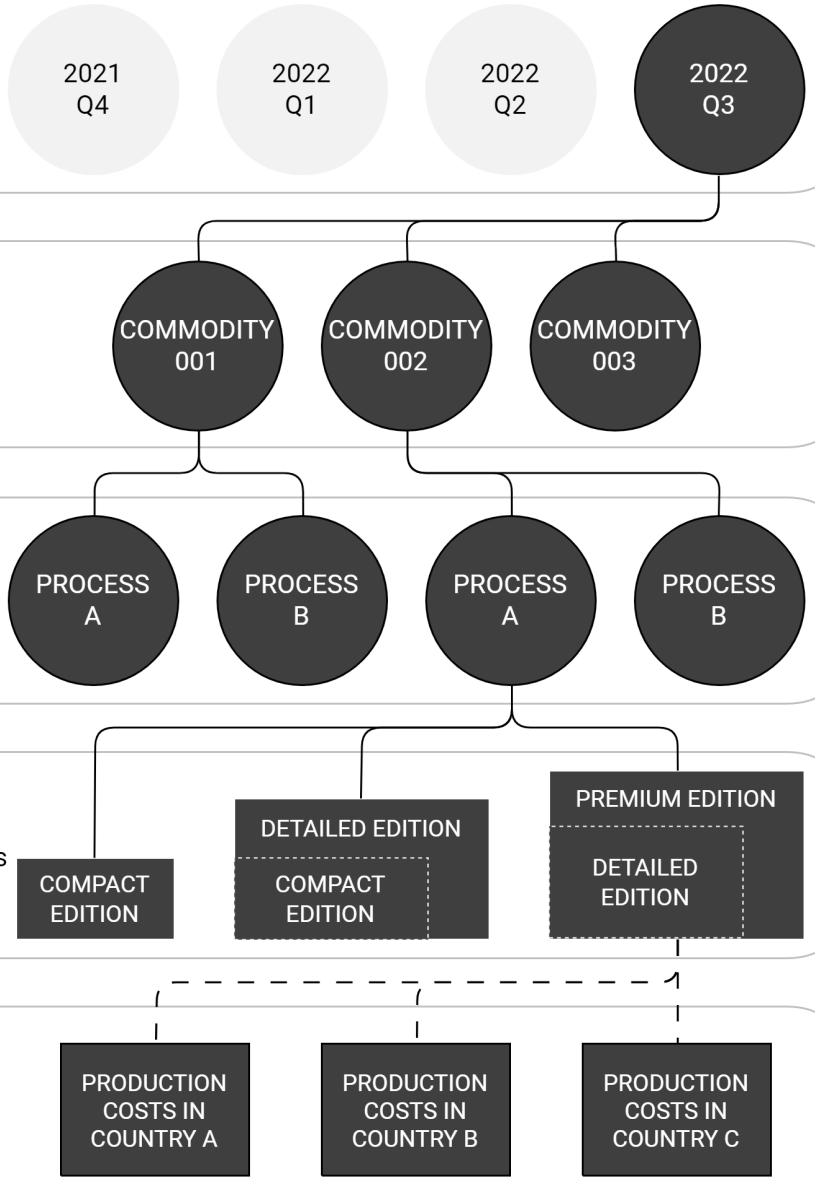
Each issue approaches an industrial process for the production of the commodity.

EDITIONS

Each issue is offered in three editions designed to attend customers interested in different levels of depth.

COMPANION REPORTS

Companion reports, each one with economic analysis of a different country, are offered as add-ons to the Premium Edition.



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Editions Available

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* **Compact Edition.** This Edition describes the industrial plant, including main process units and site infrastructure, and presents an independent economic analysis through summarized figures. It is perfect for those looking for a brief overview of the process, and an objective understanding of its economics.

* **Detailed Edition.** This Edition includes, besides all the content from the Compact Edition, additional assumptions and further details related to the economic analysis. This Edition is suggested for the readers interested in a more comprehensive analysis and concerned in understanding each assumption used in the development of the Issue.

* **Premium Edition.** This is the most popular and detailed Edition offered for a given Issue. It includes everything from the Detailed Edition plus additional economic and technical information about the process, which enables readers to go deeper in their analysis. This version is an excellent starting point for readers interested in checking different scenarios and developing more in-depth studies.

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About This Report

Identification

This report, "INTRATEC-ICC-PREV-279-A-PREM-USA," corresponds to the Issue A of a set of reports which is part of Volume 279, released in the Series XXXX. More specifically, this report refers to:

Item	Code	Description
Product	ICC	Intratec Commodity Production Costs
Series	XXXX	Quarter (XX) and year (XXXX) used as basis for the economic analysis
Volume	279	Hexene
Issue	A	1-Hexene Production from Ethylene
Edition	PREM	Corresponds to the Premium Edition of the report
Country	USA	The economic analysis presented in this report is based on a plant located in the United States

How to Use

The main purpose of this report is to assist readers in conducting a preliminary economic evaluation of the industrial process presented. It serves as a valuable tool for studies such as screening investment options, evaluating emerging processes, assessing economic feasibility, cost estimation double-checking, and more.

Readers should keep in mind the limitations of this report, as both the technical data and economic assessment are subject to certain constraints.

Technical Data. The preliminary design of the process is based on fast techniques that rely on reduced design efforts. The goal of such preliminary design is exclusively to represent the process in sufficient detail for supporting capital and operating costs estimation within the accuracy expected: class 4 budgetary estimates. Therefore, the technical data presented must not be confused with an actual conceptual process design and must not be used as such.

Economic Assessment. The report presents an economic assessment for the period XXXX, assuming an industrial facility based in the United States. This means that capital and operating costs estimates presented are based on several general assumptions (e.g., average market figures for raw materials, chemicals and utilities prices, labor costs, taxes, and duties), believed to suitably portray local conditions for the period of analysis informed, on a country-level basis. Accordingly, the economic assessment provided in this report is not meant to fit any specific industrial venture, which would involve a wealth of specific data and assumptions not herein considered.

Finally, it is important to highlight mistakes to avoid when using Intratec Commodity Production Costs reports:

* The reports are not process design packages nor engineering documentation of any kind.
* The reports are not based on surveys, interviews, or confidential information.
* The reports are not based on any kind of confidential information.
* The content of our reports is not tailored to customers' demands. On the contrary, all reports share the same structure (types of graphs, tables, and descriptions) and depth of content, and the content itself is the result of Intratec development methodology.
* Intratec reports are not consulting services, though users are free to use the information in conjunction with their own data or hire consulting firms for specialized analyses.

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Acronyms & Abbreviations

AACE	Association for the Advancement of Cost Engineering
BEQ	bare equipment
BFD	block flow diagram
Btu	British thermal unit
CAPEX	capital expenditures
CW	circulating cooling water
EPC	engineering procurement and construction
FEED	front-end engineering design
ft	feet
G&A	general and administrative
HAZOP	hazard and operability study
HP	high pressure
IC index	Intratec plant construction cost index
ISBL	inside battery limits
IT	information technology
kWh	kilowatt-hour
LP	low pressure
m3	cubic meter
MM	million
MP	medium pressure

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mt	metric ton
NASA	National Aeronautics and Space Administration
Nm3	normal cubic meter
OC	owner's cost
Op.	operator
OPEX	operational expenditures
OSBL	outside battery limits
PFD	process flow diagram
R&D	research and development
RF	refrigeration fluid
ROCE	return on capital employed
ST	steam
Sup.	supervisor
t	ton
TFC	total fixed capital
TPC	total process capital
TRL	technology readiness level
wt	weight
yr	year

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Chapter 1

Executive Summary

About 1-Hexene

Hexene (a.k.a. Hexenes) refers to a group of alkene isomers with molecular formula C6H12. The most important Hexene is 1-Hexene, which is largely employed as a comonomer in the production of polymers. 1-Hexene is a clear colorless liquid with a petroleum-like odor, soluble in most organic solvents but insoluble in water. Hexenes, excluding 1-Hexene, are produced from the dehydration of their respective hexanol. Obtained mainly by wax cracking in the past, currently, 1-Hexene is most commonly manufactured via ethylene oligomerization.

Like most linear alpha olefins, Hexene should be stored and shipped under an inert atmosphere. Also, due to its high flammability, this chemical must be stored in a cool, well-ventilated area, away from sparks and flame sources; due to its toxicity, it must also be kept away from drains or sewer accesses.

1-Hexene imparts tear resistance and other desirable properties to polyethylene, making its major use as a comonomer in the production of high-density polyethylene (HDPE) and linear low-density polyethylene (LLDPE). It is also employed as a solvent; paint thinner; chemical reaction medium; and in the synthesis of flavors, perfumes, dyes, and resins.

1-Hexene Production Process

The present analysis approaches 1-Hexene production from ethylene.

The process under analysis comprises three major sections: (1) Reaction; (2) Chemicals Separation; and (3) Purification.

Reaction. A recycle cyclohexane stream from the Solvent Recovery Column is mixed with the catalyst system solution and then fed a trimerization reactor. An ethylene recycle stream is mixed with the ethylene feed and they are simultaneously fed to the reactor, but in a counter-current fashion. In order to remove the reaction heat from the medium, it is maintained an external circulation loop passing through heat exchangers against boiler feed water, generating low pressure steam. The process achieves an ethylene conversion of about 70 wt%.

Chemicals Separation. The reactor output stream is mixed, in a static mixer, with 2-ethyl-1-hexanol, which deactivates the catalyst in the reaction medium, to prevent the production of by-products during the purification section. Then the deactivated process stream is flashed in three stages, at decreasing pressures and increasing temperatures. The recovered vapor phases from each stage are mixed and directed to the Ethylene Recovery Column. As a result, a relatively pure ethylene stream is recovered as the top product and most of it is recycled to reaction. The smaller part is purged from the process to avoid the buildup of light contaminants in the process.

Purification. The product rich stream is fed to another three distillation columns in order to separate heavy olefins by-products produced via undesirable side reactions and lighter contaminants, which are exported to the nearby petrochemical complex to be used as fuel. A cyclohexane rich stream is also recovered and split into two fractions, one fraction is directed to the reaction area and the second fraction is sent to the Ethylene Recovery Column. The final product stream, with a purity greater than 99 wt%, is produced.

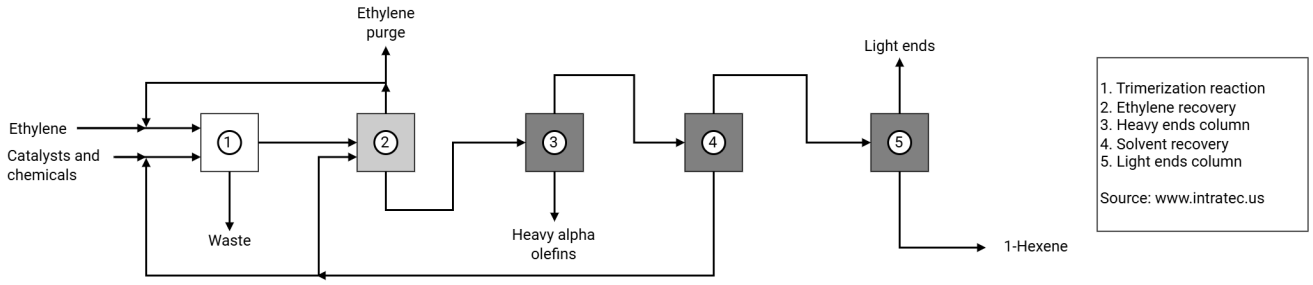


Figure 1.1 Process Schematic Diagram

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Economic Analysis

Table 1.1 provides a summary of the 1-Hexene production cost related to the process described in the report, based on a 200,000 mt/yr plant. Also, it presents some remarks about the key aspects surrounding the economic analysis performed.

Table 1.1 1-Hexene Production Cost Summary

1-Hexene Production from Ethylene			
Plant location	United States	**Capital investment summary**	**MM USD**
Period of analysis	XXXX (IC Index: XXX)	Fixed capital	XXX
Nominal capacity (mt/yr)	200,000	Working capital	XXX
Operating rate (h/yr)	XXX (XXX XXX%)	Additional capital	XXX
Annual production (mt/yr)	XXX	**Total capital investment**	**XXX**

Description	USD/mt	MM USD/yr	%
Net raw materials cost	XXX	XXX	XX
Net utilities cost	XXX	XXX	XX
Operating variable costs	**XXX**	**XXX**	**XX**
Operating fixed costs	XXX	XXX	XX
Operating cash cost	**XXX**	**XXX**	**XX**
Depreciation	XXX	XXX	XX
Total operating cost	**XXX**	**XXX**	**XX**
Corporate overhead	XXX	XXX	XX
ROCE	XXX	XXX	XX
Product value	**XXX**		**XX**

Table 1.1 shows the impact of variable costs in the product value — it represents approximately XX % of the product value. Regarding the capital investment it is worth mentioning that, in order to fulfill the infrastructure requirements assumed in the present analysis, OSBL investment represents about XX% of the 1-Hexene plant cost.

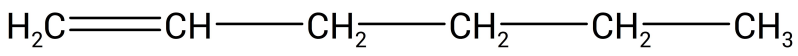
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Chapter 2

About 1-Hexene

Hexene (a.k.a. Hexenes) refers to a group of alkene isomers with molecular formula C6H12. The most important Hexene is 1-Hexene, which is largely employed as a comonomer in the production of polymers. 1-Hexene is a clear colorless liquid with a petroleum-like odor, soluble in most organic solvents but insoluble in water. Hexenes, excluding 1-Hexene, are produced from the dehydration of their respective hexanol. Obtained mainly by wax cracking in the past, currently, 1-Hexene is most commonly manufactured via ethylene oligomerization.

The structure of 1-Hexene is presented below:



1-Hexene

Figure 2.1 1-Hexene

In fact, there are a number of commercial processes for 1-Hexene production based on ethylene oligomerization, involving catalytic chain growth (on aluminum alkyls, nickel ligand catalyst and a modified zirconium catalyst) and stoichiometric chain growth on aluminum alkyls followed by displacement.

1-Hexene can also be produced via chlorination and chlorination–dehydrochlorination of paraffins, or recovered from gasoline fractions.

Like most linear alpha olefins, Hexene should be stored and shipped under an inert atmosphere. Also, due to its high flammability, this chemical must be stored in a cool, well-ventilated area, away

from sparks and flame sources; due to its toxicity, it must also be kept away from drains or sewer accesses.

Commercial Forms & Applications

The uses and applications of Hexene may vary according to its specification. The main forms of Hexene are 95%; 99%; and research grade.

1-Hexene imparts tear resistance and other desirable properties to polyethylene, making its major use as a comonomer in the production of high-density polyethylene (HDPE) and linear low-density polyethylene (LLDPE). It is also employed as a solvent; paint thinner; chemical reaction medium; and in the synthesis of flavors, perfumes, dyes, and resins.

1-Hexene can be used in the manufacture of other products, including linear aldehyde heptanal; n-alkanol(C7-C9); (Z)-dodec-7-enyl acetate; n-heptaldehyde; (Z)-hexadec-11-enal; (Z)-hexadec-11-enyl acetate; octadeca-2,13-dienyl acetate; octadeca-3,13-dienyl acetate; polyethylene; (Z)-tetradec-9-enol.

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1-Hexene Production Routes

1-Hexene production is mostly based on ethylene oligomerization, in such a way that different 1-Hexene manufacturing routes are related to different sources of ethylene. Other manufacturing routes include the metathesis followed by isomerization of raffinate-2 and recovery from synfuels, hydrocarbons synthesized via fischer-tropsch process.



Figure 2.2 1-Hexene Production Routes Diagram

Fig. 2.2 comprises a diagram showing different 1-Hexene production processes. This report is part of the Intratec Commodity Production Costs reports, focused on 1-Hexene manufacturing processes.

Intratec has also developed other reports focused on other Hexene production processes. More information about such industrial processes are presented below.

Issue B

It illustrates the 1-Hexene production from synfuels. In this process, synfuels are submitted to a extractive distillation, yielding 1-Hexene product. See reference:

* Intratec. XXXX. 1-Hexene Production from Synfuels, Report ICC-XXXX-279-B-PREM-USA. In: Intratec Commodity Production Costs, Series XXXX. Volume 279 (Hexene). Issue B. Premium Edition. Available at: www.intratec.us/icc/279-B.

Issue C

It illustrates the 1-Hexene production from raffinate-2. This process is based on a metathesis reaction that isomerizes 2-butene from raffinate-2 to 1-butene. Then, 1-butene is reacted with itself to form 3-hexene and ethylene. The 3-hexene is finally isomerized to 1-hexene. See reference:

* Intratec. XXXX. 1-Hexene Production from Raffinate-2, Report ICC-XXXX-279-C-PREM-USA. In: Intratec Commodity Production Costs, Series XXXX. Volume 279 (Hexene). Issue C. Premium Edition. Available at: www.intratec.us/icc/279-C.

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Chapter 3

Process Overview

This chapter presents an overview of 1-Hexene production from ethylene.

More specifically, the current chapter approaches technical aspects of the 1-Hexene production process examined including technology maturity assessment and description of the products generated and the process inputs.

Technology Maturity Assessment

The process technology under study was categorized according to its maturity. The technical maturity, while a measure of performance, reliability and operating experience associated with the technology being assessed, serves as an important input in the definition of assumptions that have a relevant impact on process economics (e.g., process contingency, project contingency, costs related to start-up inefficiencies and R&D, etc.).

The process technology maturity is defined by the Intratec team through a method adapted from the so-called Technology Readiness Level (TRL) method, developed by NASA, and nowadays used in a broad range of sectors/industries. There are nine TRLs, which describe the maturity of a technology, from basic technology research to system testing, launch and operations.

Originally intended to support decision-making over research and development activity, the nine technology readiness levels were divided into five major classes to portray the maturity level of chemical process technologies, from “concept” to “established technology.” Table 3.1 describes such five classes according to which the Intratec team classifies technologies being studied, as well as the TRLs included within each class.

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Table 3.1 Process Technology Maturity Scale

Technology Status	Description	Scale	TRL
Established (Outdated)	* Existing plants being shut down * No longer adopted in new plants * Obsolete technology	Commercial (at least 1 plant)	-
Established (In Use)	* 2+ commercial plants * Proven technology (successful operations)	Commercial (2+ plants)	9
Emerging	* 1 commercial plant * Basic data for commercial plant * Performance validation * Demonstration plant * Prototype near or at planned operation system	Commercial (1 plant) Demonstration	7-8
Embryonic	* Pilot-scale demonstration * Engineering-scale models / prototypes * Basic data for scale-up * “Proof-of-Concept” validation * Bench-scale demonstration * Lab-scale technology definition * Process modeling * Analytical studies * Active R&D	Pilot Bench Lab	4-6 2-3
Conceptual	* Unproven idea / proposal * No analysis or testing * Paper concept / studies	Concept Idea	1

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Product(s) Description

The main product obtained in the process under analysis is high purity 1-Hexene (> 99 wt%). In addition, a heavies stream containing higher alpha-olefins is also produced, but is sold as fuel to a nearby petrochemical complex.

Inputs Description

Raw Material(s)

* Ethylene

Ethylene is known as a key building block for the petrochemical industry, being one of the largest-volume petrochemical produced worldwide. It is widely used as chemical intermediate in the production of several end products, including plastics, resins and fibers.

Ethylene is largely produced by thermal cracking of petroleum-based feedstock, in the presence of steam. It is stored in a liquid state under high pressure or at low temperatures. However, ethylene is, most of times, directly supplied to its consumers. In the process under analysis, ethylene gas, with purity > 99.9 wt.% is provided by pipeline from the supplier.

* Catalyst & Chemicals

This process makes use of a proprietary chromium-containing catalyst system, a mixture, of the following chemicals: A chromium(III) salt, dimethylpyrrole, triethylaluminum and diethylaluminium chloride in a solution of 1-hexene.

Cyclohexane is used as a inert solvent for the reaction medium in the trimerization reactor, most of it is recovered in downstream operations and recycled to the reaction area, in such a way that only a small make-up stream is required by the process to account for losses in its recovery.

A small amount of 2-ethyl-1-hexanol is used to inhibit the activity of the catalyst system after the trimerization reaction, so as to reduce the production of byproducts in the downstream separation operations.

Utilities

The utilities consumed in the process are cooling water, boiler feed water, and electricity. All steam consumed in the process is produced through heat integrations.

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Process Highlights

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Chapter 4

Industrial Site Configuration

This chapter presents the industrial site configuration for the 1-Hexene production process examined. In short, the information presented in this chapter is based on commonly utilized concepts related to the type of installations found within a typical industrial site. These concepts include:

* Process unit. Also known as inside battery units, these installations comprise all main units of the site required to modify the input stream and obtain the target output. These units are located Inside the Battery Limits (ISBL).

Infrastructure. Also known as outside battery units or offsite facilities, these installations do not directly enter into the modification of the process input stream. They are support buildings, auxiliary units used for providing and distributing utilities and storage facilities. These units are located Outside the Battery Limits (OSBL).

In order to make a better distinction between these types of installation, a diagram is presented in Figure 4.1. The diagram also provides an insightful overview of the industrial site as whole, and helps to clarify which raw materials and utilities are supplied to the process unit and which products and utilities are generated.

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Figure 4.1 Industrial Site Configuration

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Chapter 5

Process Unit

This chapter presents the process unit associated with the 1-Hexene production from ethylene. The process examined is similar to the trimerization process owned by Chevron Phillips.

Basically, the process unit is the core of an industrial site. Comprising the site's battery limits (ISBL), it may be complex and involve several pieces of equipment. In this context, to facilitate the understanding, the process unit related to the 1-Hexene manufacturing process under analysis is presented in the next pages through the use of a block flow diagram followed by a comprehensive description.

The information presented in this report was mainly based on:

US Patent 6455648, issued to Chevron Philips Chemical Company in 2002

It is important to mention that some aspects of the 1-Hexene production process examined are either industrial secrets, not published in patents, or have changed, but were not reported in the literature at the time this report was developed. That being the case, the design herein presented is partially based on Intratec process synthesis knowledge such that there may be some differences between the industrial process actually employed and the 1-Hexene manufacturing process described in this study. Nevertheless, the design presented suitably represents the technology examined in sufficient detail to estimate the economics of the technology within the degree of accuracy expected from conceptual evaluations.

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Block Flow Diagram

In general, block flow diagrams consist of a series of blocks, representing unit operations or groups of equipment, connected by input and output streams. In fact, there are no strict standards according to which such diagrams are made.

To facilitate the presentation of the process unit under analysis, Intratec developed block flow diagrams according to some standards. The process areas represented correspond to a "functional unit." Basically, a "functional unit" is a significant step in the process in which a particular physico-chemical operation (i.e., distillation, reaction, evaporation) occurs. According to this definition, a given functional unit is not associated with a single piece of equipment, but rather with a group of equipment and ancillaries required to perform a particular operation.

The blocks representing process areas also show key technical parameters related to these areas, including: the highest operating temperature and pressure, representative material of construction, and other parameters.

As to the process streams represented, there is an indication of their phase. Also, such streams may provide a global material balance of the process, normalized by the mass flow rate of the product considered in the analysis. In other words, the number near each stream represents the ratio between its mass flow rate and the output flow rate of the product under analysis.

It is worth noting that areas having no significant impact on the economics of the process may not be included in the diagram. Similarly, some streams may also not be represented. Nevertheless, the diagram presented is still extremely useful in providing readers with an overall understanding of the process studied.

The following block flow diagram illustrates the functional units related to the process under analysis.

Further Details

For more information on how the process examined was divided into functional units, the reader is referred to https://intrat.ec/m?f=/icc-methodology.

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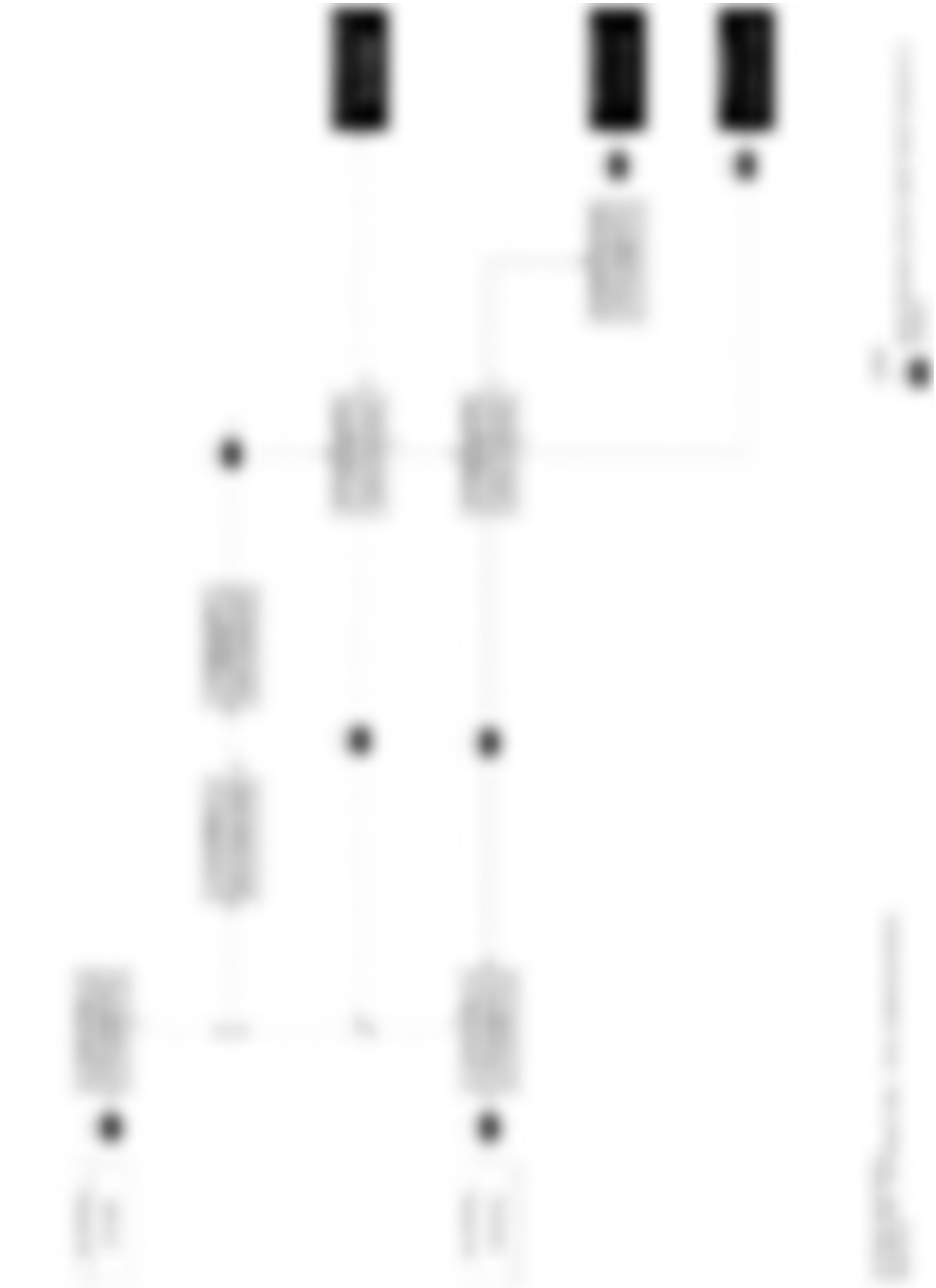


Figure 5.1 Block Flow Diagram – Hexene Manufacturing Process

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Further Details

For a more detailed diagram presenting pieces of equipment and more process streams, the reader is referred to "*Appendix I. Process Flow Diagram & Equipment List.*"

Description

The 1-Hexene production process under analysis is briefly described below. For clarity, the description was divided according to the process areas indicated in the block flow diagram.

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Chapter 6

Site Infrastructure

This chapter describes the infrastructure requirements associated with the 1-Hexene production process examined. Basically, infrastructure requirements comprise the offsite facilities, or the units located Outside the Battery Limits (OSBL). The OSBL usually have a significant impact on the capital cost estimates associated with any new industry venture. This impact is largely dictated by, among other things: specific conditions where the industrial site will be erected; the level of integration the new site will have with nearby facilities or industrial complexes; and assurance and promptness in the supply of chemicals.

Assumptions

The infrastructure requirements of the industrial site examined were defined according to the assumptions listed below.

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Note

According to the literature focused on the economic analysis of processes, the costs associated with waste treatment typically range from 0.5% to 5% of plant cost per year (See references M14, M15). However, since such costs may significantly vary from process to process and according to plant location, Intratec recommends a specific study for more accurate estimates.

Description

The offsite facilities were divided into areas according to their type/function. These areas are listed in the following pages, as well as a description about the major equipment, systems and facilities included in each of them.

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* Area 90 – Storage Installations



Figure 6.1 Area 90 – Storage Installations

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* Area 91 – Utilities Facilities



Figure 6.2 Area 91 – Utilities Facilities

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* Area 92 – Support & Auxiliary Buildings



Figure 6.3 Area 92 – Support & Auxiliary Buildings

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Chapter 7

Process Consumptions & Labor Requirements

This chapter presents the process requirements to operate an industrial site of the 1-Hexene production process examined. More specifically, the next pages provide key process indicators and the operators required to run the process equipment of the 1-Hexene manufacturing process examined (in accordance with the block flow diagram and the global material balance previously presented).

Key Input & Output Figures

The following tables show key process indicators of the technology examined. In other words, these indicators reflect the raw materials consumption in Table 7.1 rates per metric ton of 1-Hexene.

Table 7.1 Raw Materials Consumption

Raw Material	Quantity per metric ton of Product	Unit
XXXXXXXXX	XXX	XXX
XXXXXXXXX	XXX	XXX

It should be noted that estimation of raw material requirements in the conceptual design phase is usually reasonably accurate, but tends to be somewhat understated compared to real operations. Losses from vessel vents, unscheduled equipment, inerting systems, physical property inaccuracies, startup, shutdown, and other process operations not typically addressed in this phase may increase raw materials consumption.

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Further Details

For detailed figures regarding utilities consumption, reader is referred to "*Appendix A. Utilities Consumption Details.*"

Labor Requirements

Table 7.2 presents the number of operators per shift required to run the equipment of the process examined, as well as the personnel per shift required to directly supervise the operating labor.

Table 7.2 Labor Requirements

Personnel	Workers per Shift
Operators	XX
Supervisors	XX

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Chapter 8

Capital Costs Summary - United States

This chapter presents 1-Hexene plant capital costs associated with 1-Hexene production from ethylene, from design to industrial plant startup.

The costs that comprise the total 1-Hexene plant capital costs are grouped under three major costs:

* Fixed capital. Depreciable capital invested in the construction of the industrial plant and making it operational. It comprises the 1-Hexene plant cost and owner's cost, expenses required to make the plant operational (i.e., initial catalyst load in reactors, prepaid royalties, and miscellaneous costs).
* Working capital. Funds for getting the plant into operation and meeting subsequent obligations. It includes raw materials inventory, products inventory, in-process inventory, supplies and stores, accounts receivable and accounts payable.
* Additional capital requirements. One-time expenses related to bringing a process on stream during plant start-up. These expenses may be related to employee training, initial commercialization costs, operating inefficiencies, and unscheduled plant modifications.

Figure 8.1 illustrates the composition of total capital investment.

Further Details

For more information about how the capital costs were estimated, the reader is referred to https://intrat.ec/m?f=/icc-methodology.

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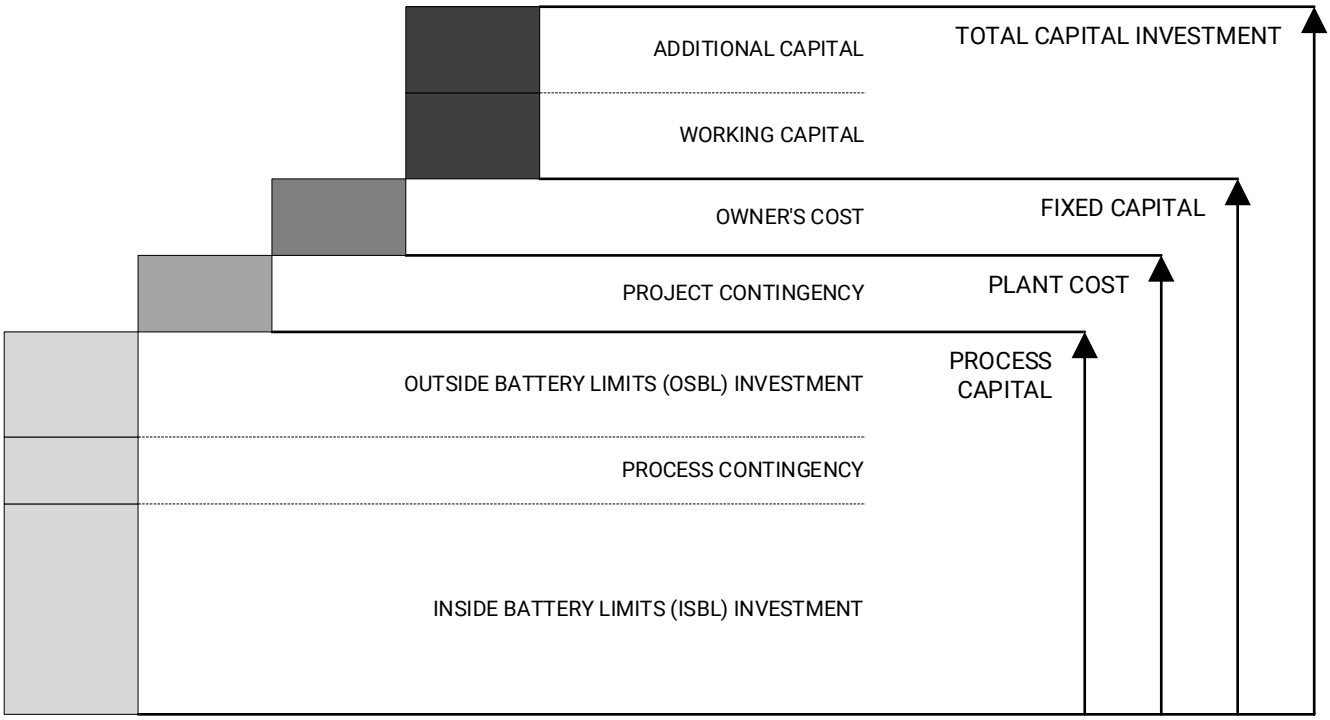


Figure 8.1 Capital Investment Composition

Assumptions

The estimates included in this chapter are based on the following assumptions:

* Plant nominal capacity: **200,000 mt** of Hexene per year
* Industrial plant location: **United States**
* Construction on a cleared, level site
* Period of analysis: XXXX
* IC Index-United States at the period of analysis: XXX

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Total Capital Investment

Table 8.1 summarizes all major 1-Hexene plant capital costs that comprise the total capital investment, from the design and construction of an industrial site to plant startup.

Table 8.1 Capital Investment Summary

Component	MM USD	%
Plant cost	XXX	XX
Owner's cost	XXX	XX
Total fixed capital	**XXX**	**XX**
Working capital	XXX	XX
Additional capital	XXX	XX
Total capital investment	**XXX**	**XX**

Figure 8.2 presents a graphical representation of the total capital investment breakdown.



Figure 8.2 Capital Investment Summary

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Further Details

For the breakdown of fixed capital, working capital and additional capital, reader is referred to "*Appendix C. Capital Investment Details*."

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Chapter 9

Operating Costs Summary - United States

This chapter presents ongoing costs required for 1-Hexene production from ethylene. Also referred to as operational expenditures (OPEX), these encompass costs associated with the plant operation and depreciation. In the current analysis, the operating cost was grouped under three major costs:

* Operating variable costs. Costs directly proportional to the actual operating rate of the industrial site. Such costs include raw materials and utilities (i.e., steam, electricity, fuel, and refrigeration).
* Operating fixed costs. Operating costs directly tied to the plant capacity, but which do not change with the operating level (i.e., operating labor, supervision labor, maintenance costs, plant overhead).
* Depreciation. Refers to the decrease in value of industrial assets with passage of time.

It should be kept in mind that the sum of operating fixed costs and operating variable costs is referred to as “cash cost.” The sum of cash cost with depreciation, in turn, is referred to as “total operating cost.”

Figure 9.1, on the next page, illustrates the composition of total operating cost.

Further Details

For more information about how the operating cost components were estimated, the reader is referred to https://intrat.ec/m?f=/icc-methodology.

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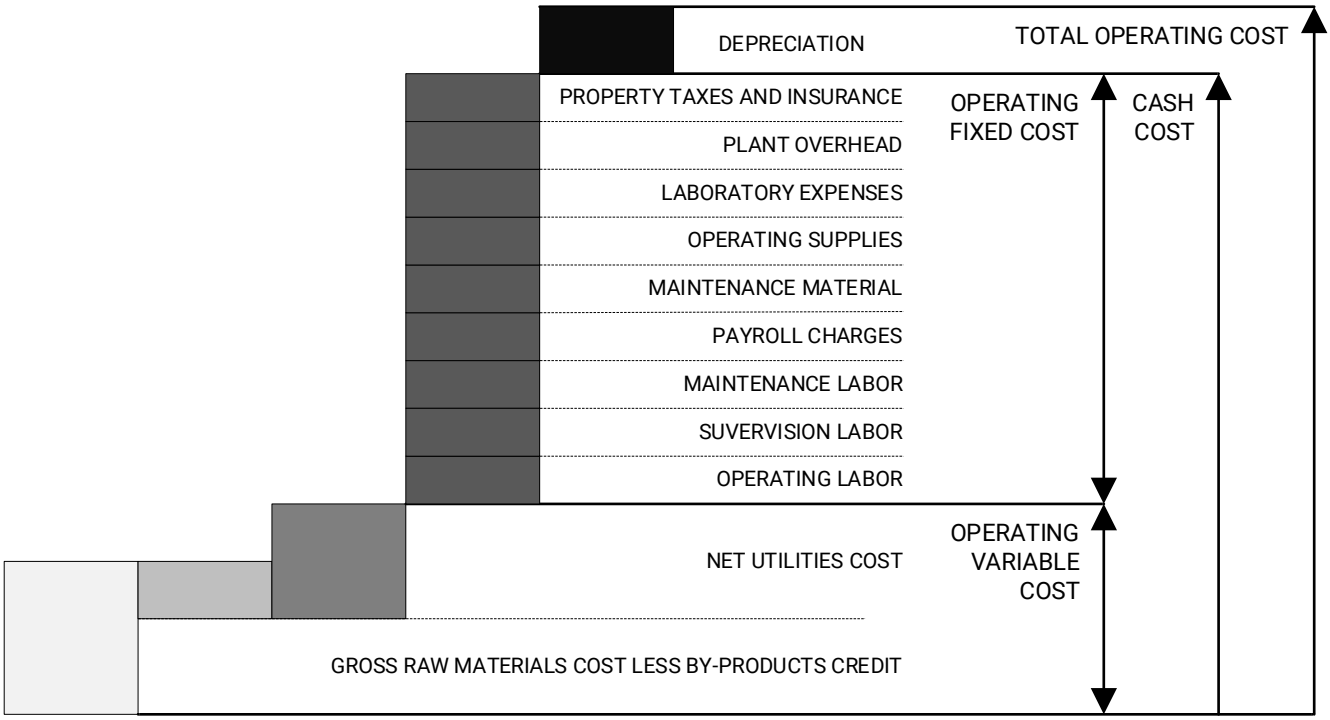


Figure 9.1 Operating Costs Composition

Assumptions

The estimates included in this chapter are based on the following assumptions:

* Industrial plant location: **United States**
* Period of analysis: XXXX
* Plant nominal capacity: **200,000 mt** of Hexene per year
* Plant operating rate (hours per year): XXX

The plant operating rate assumed leads to an annual throughput of XXX metric ton of Hexene. It is important to mention that this rate does not represent any technological limitation; rather, it is an assumption based on usual industrial operating rates.

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Operating Variable Costs

Table 9.1 displays the operating variable costs.

Table 9.1 Operating Variable Costs

Component	Quantity	Price	USD/mt	MM USD/yr	%
XXXXXXXXX	XXX XXX	XXX	XXX	XXX	XX
XXXXXXXXX	XXX XXX	XXX	XXX	XXX	XX
Gross raw materials cost			**XXX**	**XXX**	**XX**
Net raw materials cost			**XXX**	**XXX**	**XX**
Net utilities cost			XXX	XXX	XX
Operating variable costs			**XXX**	**XXX**	**XX**

All costs presented in this table are derived from unit consumptions and pricing information.

Total Operating Cost

Table 9.2 summarizes all operating cost by presenting its major components.

Table 9.2 Operating Costs Summary

Component	USD/mt	MM USD/yr	%
Operating variable costs	XXX	XXX	XX
Operating fixed costs	XXX	XXX	XX
Operating cash cost	**XXX**	**XXX**	**XX**
Depreciation	XXX	XXX	XX
Total operating cost	**XXX**	**XXX**	**XX**

Figure 9.2 presents a graphical representation of the operating cost breakdown.

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Figure 9.2 Operating Costs Summary

Further Details

For the breakdown of utilities cost, operating fixed costs and depreciation, the reader is referred to "*Appendix D. Operating Costs Details.*"

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Chapter 10

Product Value Summary - United States

This chapter presents the "Product Value," a term commonly used wherein all costs associated with the manufacture of a product are combined in order to provide a more consistent economic analysis. It includes operating cost (operating variable costs, operating fixed costs, and depreciation), as well as corporate overhead costs and an expected Return on Capital Employed (ROCE). Figure 10.1 illustrates the composition of the product value.

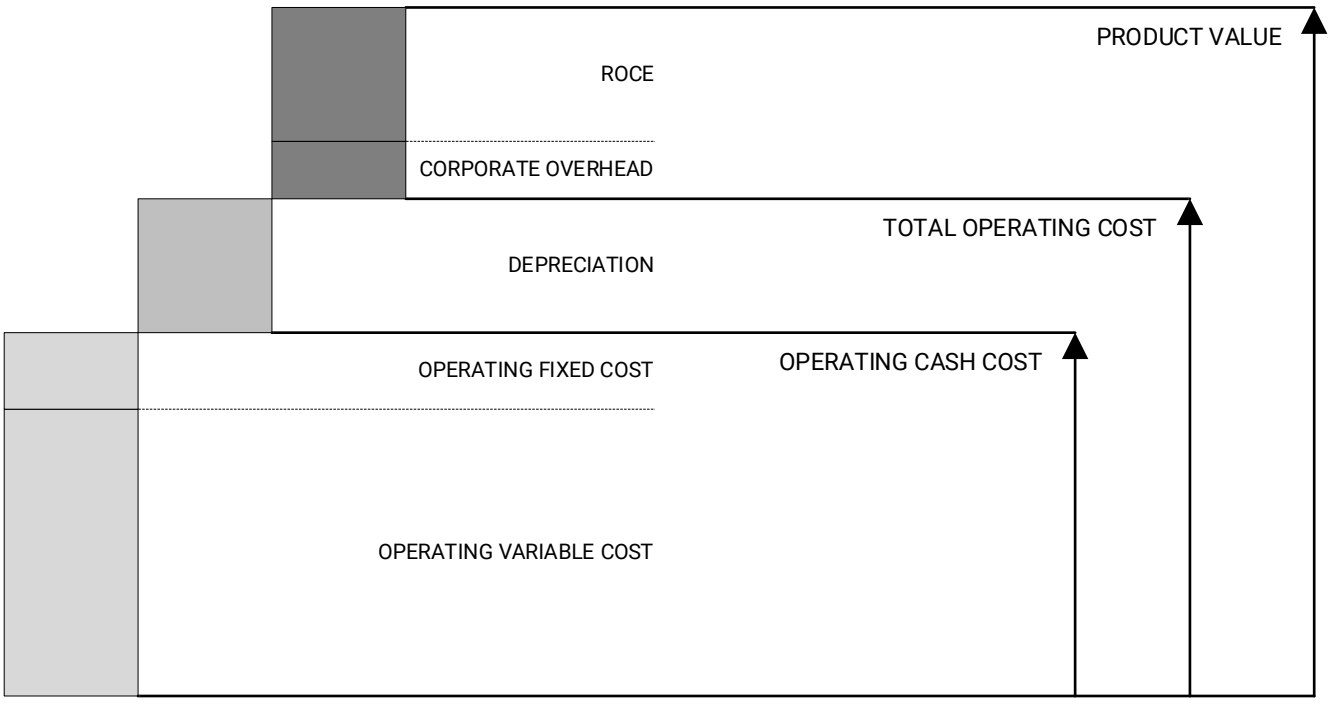


Figure 10.1 Product Value Composition

It is important to mention that product value should not be confused with product price. The product value should be seen as the minimum price for which the product could be sold, so that the plant owner can get the expected ROCE.

Table 10.1 summarizes all costs that comprise the product value in the process examined.

Table 10.1 Product Value Composition

Component	USD/mt	MM USD/yr	%
Operating cash cost	XXX	XXX	XX
Depreciation	XXX	XXX	XX
Total operating cost	**XXX**	**XXX**	**XX**
Corporate overhead	XXX	XXX	XX
ROCE	XXX	XXX	XX
Product value	**XXX**		**XX**

Figure 10.2 shows the impact of each cost component on the product value.

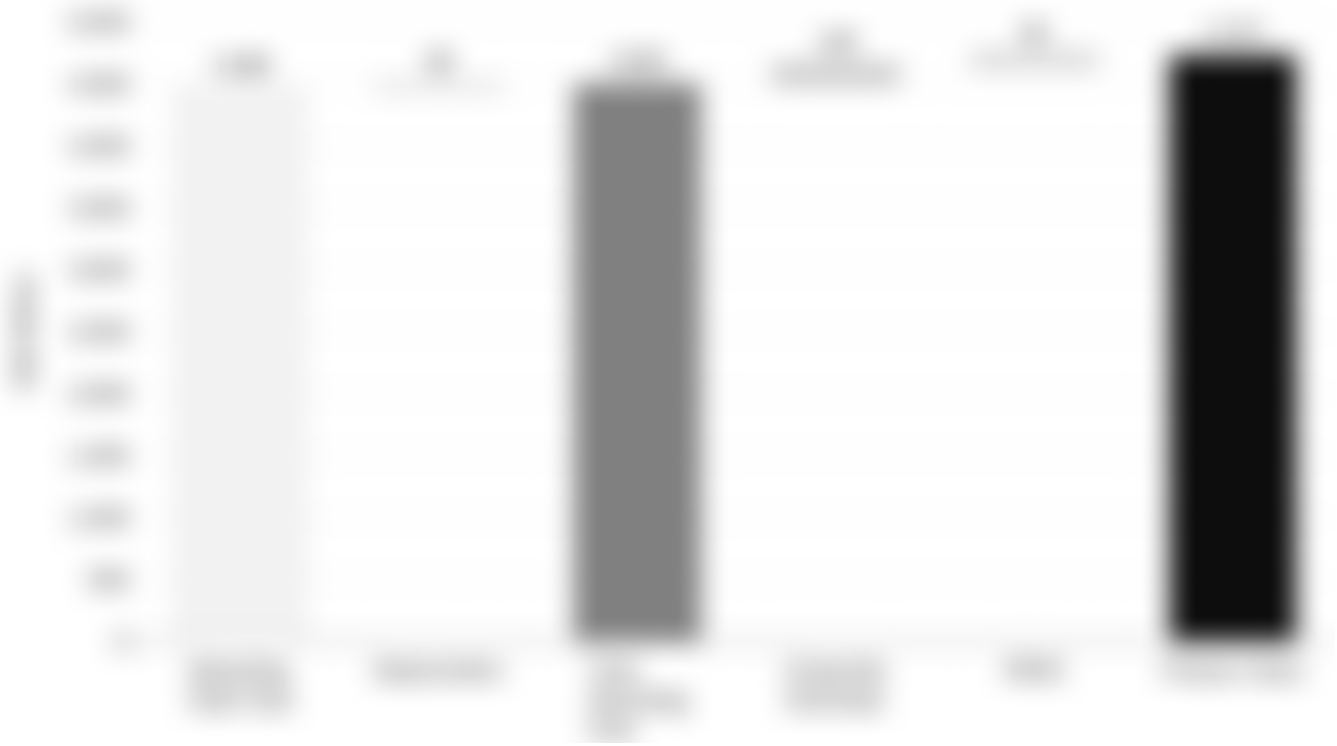


Figure 10.2 Product Value Summary

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Chapter 11

Production Costs Summary - United States

This chapter provides a summary of all 1-Hexene production costs related to the process described so far. Also, it presents some remarks about the key aspects surrounding the economic analysis.

1-Hexene Production Cost Datasheet

Table 11.1 condenses the analysis developed in this report.

Economic Remarks

It should be noted that the risk taken into account in this analysis is limited to the technical risks associated with the process uncertainties or inherent risks associated with the venture's industry sector. Other venture risks, such as business environment, raw materials and product prices variations, change in government policy, shall be evaluated case by case, and are not taken into account here, since this is a general analysis.

It is also important to mention that product value must not be confused with product price. While the product value is calculated based on operating cost and expected ROCE, the product price is the actual value practiced in market transactions.

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Table 11.1 1-Hexene Production Cost Datasheet

1-Hexene Production from Ethylene

Plant location	United States	**Capital investment summary**	**MM USD**
Period of analysis	XXXX (IC Index: XXX)	Fixed capital	XXX
Nominal capacity (mt/yr)	200,000	Working capital	XXX
Operating rate (h/yr)	XXX (XXX XXX%)	Additional capital	XXX
Annual production (mt/yr)	XXX	**Total capital investment**	**XXX**

Description	Quantity per mt	Price	USD/mt	MM USD/yr	%
XXXXXXXXX	XXX XXX	XXX/XXX	XXX	XXX	XX
XXXXXXXXX	XXX XXX	XXX/XXX	XXX	XXX	XX
Gross raw materials cost			**XXX**	**XXX**	**XX**
Net raw materials cost			**XXX**	**XXX**	**XX**
Net utilities cost			XXX	XXX	XX
Operating variable costs			**XXX**	**XXX**	**XX**
Operating fixed costs			XXX	XXX	XX
Operating cash cost			**XXX**	**XXX**	**XX**
Depreciation			XXX	XXX	XX
Total operating cost			**XXX**	**XXX**	**XX**
Corporate overhead			XXX	XXX	XX
ROCE			XXX	XXX	XX
Product value			**XXX**		**XX**

Further Details

For further clarification about the pricing assumptions used in this analysis, the reader is referred to https://intrat.ec/m?f=/icc-methodology.

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Chapter 12

Analysis Methodology Summary

This chapter provides a brief summary of the methodology developed by Intratec for producing its Production Cost Reports. For a more-in-depth comprehension, readers are encouraged to explore the *Intratec Commodity Production Costs – General Methodology Guide*, which can be accessed at:

► https://intrat.ec/m?f=/icc-methodology

The Intratec Commodity Production Costs report is a critical tool for evaluating industrial processes from a techno-economic perspective. Leveraging over a decade of experience in commodities markets and process economics, Intratec has developed a robust and consistent methodology to ensure reliable and comprehensive techno-economic evaluations.

A techno-economic assessment analyzes industrial processes from an economic viewpoint, considering factors such as operating costs, capital investments, and process requirements. This evaluation supports investment screening, process assessment, and the analysis of industrial ventures' economic feasibility.

The primary goal of the report is to deliver best-in-class economic evaluations, summarized as shown in Table 12.1, providing trustworthy estimates for informed decision-making. This approach offers readers clear insights into the economic viability of process technologies in dynamic markets.

To produce high-quality reports, Intratec conducts detailed research into raw materials, products, and processes, including thorough technical analyses of Inside Battery Limits (ISBL) and Outside Battery Limits (OSBL) areas. This analysis is grounded in an extensive bibliography of books, patents, and academic papers.

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Table 12.1 Production Cost Datasheet Template

Intratec Commodity Production Costs

Plant location	_____ (e.g., USA)	**Capital investment summary**	**MM USD**
Period of analysis	_____ (IC Index: ____)	Fixed capital	_____
Nominal capacity (mt/yr)	_____	Working capital	_____
Operating rate (h/yr)	_____ (___%)	Additional capital	_____
Annual production (mt/yr)	_____	**Total capital investment**	_____

Description	Quantity per product	Price	USD/mt	MM USD/yr	%
Raw material 1	_____ mt	_____ USD/mt	_____	_____	___
Raw material 2	_____ mt	_____ USD/mt	_____	_____	___
Raw material 3	_____ mt	_____ USD/mt	_____	_____	___
Raw material 4	_____ mt	_____ USD/mt	_____	_____	___
Gross raw materials cost			_____	_____	___
By-product 1	_____ mt	_____ USD/mt	_____	_____	___
By-product 2	_____ mt	_____ USD/mt	_____	_____	___
By-product credits			_____	_____	___
Net raw materials cost			_____	_____	___
Cooling water	_____ m3	_____ USD/m3	_____	_____	___
Demineralized water	_____ m3	_____ USD/m3	_____	_____	___
Electricity	_____ kWh	_____ USD/kWh	_____	_____	___
Steam (HP)	_____ mt	_____ USD/mt	_____	_____	___
Utilities consumption			_____	_____	___
Fuel credit	_____ MMBtu	_____ USD/MMBtu	_____	_____	___
Steam (LP)	_____ mt	_____ USD/mt	_____	_____	___
Utilities generation			_____	_____	___
Net utilities cost			_____	_____	___
Operating variable costs			_____	_____	___
Operating fixed costs			_____	_____	___
Operating cash cost			_____	_____	___
Depreciation			_____	_____	___
Total operating cost			_____	_____	___
Corporate overhead			_____	_____	___
ROCE			_____	_____	___
Product value			_____		___

Using this technical foundation, key process indicators, site configurations, and labor requirements are defined. These inputs are then applied to calculate capital investment and operating costs. Capital investment is categorized into fixed, working, and additional capital, while operating costs are divided into variable costs, fixed costs, and depreciation.

Accuracy is paramount, and Intratec continuously gathers comprehensive data on commodity prices, utilities, and labor costs for the specific country and period of the study. This data is sourced from both public and private entities, including national statistics bureaus, government agencies, international organizations, market exchanges, and producers.

For simplicity, all cost estimates are consolidated into a single item: the "Product Value." This value combines operating costs (variable, fixed, and depreciation), corporate overhead, and a return on capital employed (ROCE), which reflects the capital investment.

All Intratec reports that approach industrial processes have a common structure, i.e., indexes, tables, and charts share similar standards. This ensures that Intratec's readers know upfront what they will get and, more than that, will be able to compare technologies addressed in different reports.

Our methodology is continuously tested and validated by manufacturers, R&D centers, EPC companies, financial institutions, and government agencies that rely on our reports. Figure 12.1 illustrates the methodology used in this report.

Complementary Documents

In addition to the full analysis methodology (https://intrat.ec/m?f=/icc-methodology), Intratec provides two other documents with complementary information to this report: "Glossary & Abbreviations" and "Unit Conversion."

The "Glossary & Abbreviations" document contains definitions of important commodity market terms found in this report and our other products. Access it at: https://intrat.ec/glossary.

The "Unit Conversion" table presents unit conversion factors for several length, mass, energy units, and more. Access it at: https://intrat.ec/unit-conversion.

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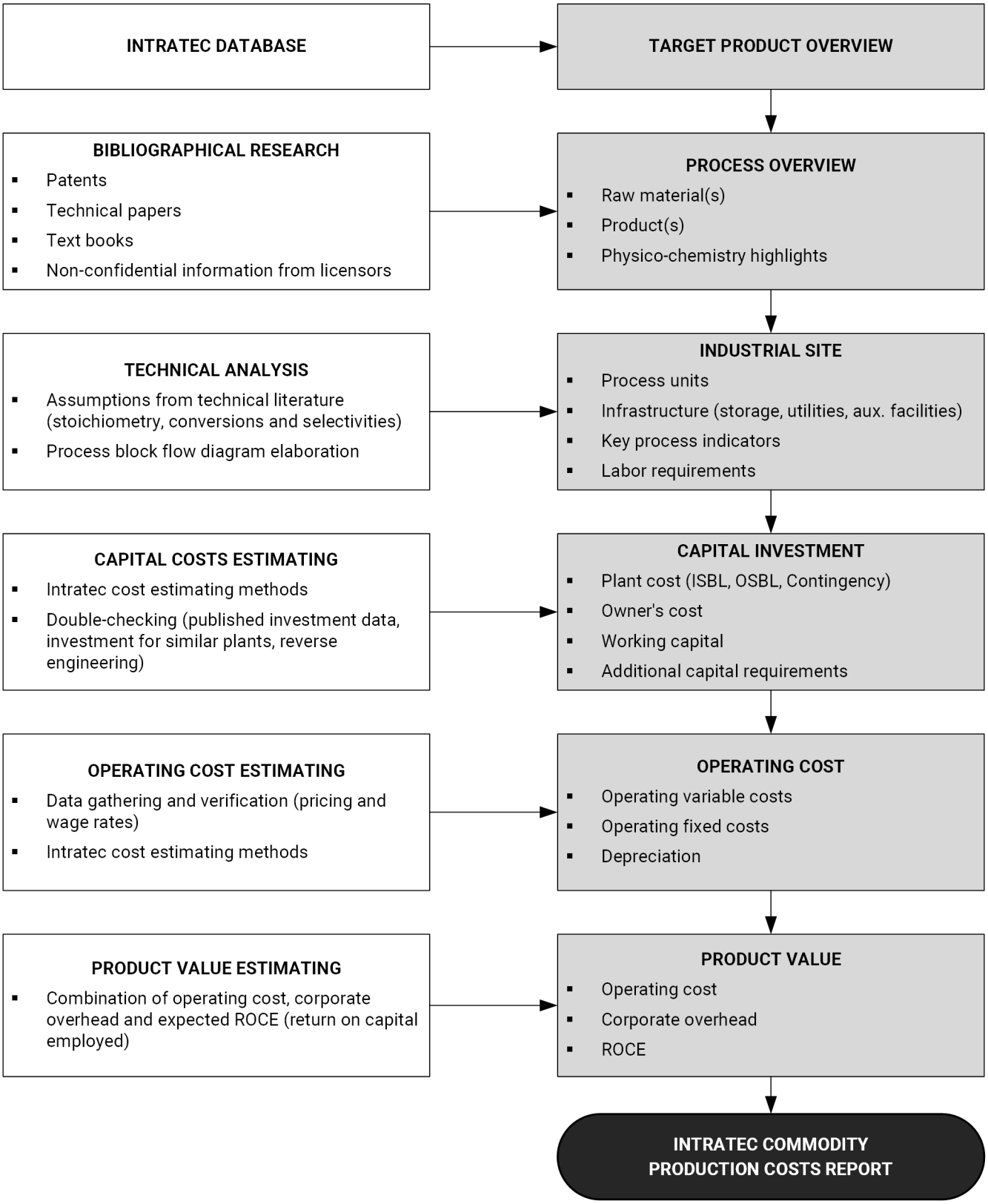


Figure 12.1 Intratec Commodity Production Costs Reports Development Methodology

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Chapter 13

References

Methodology References

Intratec has built its knowledge based on the most relevant text books, encyclopedias, and technical papers related to the economic evaluation of industrial processes. Such expertise has established a large foundation that enriches all Intratec reports, in a way that the reader can expect the most trustworthy information.

The methodology references reflect this foundation of bibliographical data, used in the development of all Intratec Commodity Production Costs reports, particularly in the elaboration of the methodology employed, detailed in Chapter 12.

[M1] Acland, M., et al. 2012. Cost Estimation Handbook (2nd ed.). The Australasian Institute of Mining and Metallurgy

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[M19] Ulrich, G. D.; Vasudevan, P. T.. 2003. Chemical Engineering Process Design and Economics: A Practical Guide (2nd ed.). CRC Press

Analysis References

The analysis references present the foundation of this 1-Hexene production cost report, providing information required to fully understand the industrial process addressed and to formulate the assumptions considered. These references, presented below, may encompass patents, encyclopedias, textbooks, academic or professional researches, technical papers and any other non-confidential information publicly available, duly reviewed by Intratec's team.

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[A4] XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX

[A5] XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX

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Appendix A

Utilities Consumption Details

This appendix details the key utilities consumption indicators of the technology examined in the report. In other words, these indicators reflect the net utilities consumption rates per metric ton of 1-Hexene produced presented in Table A.1.

Table A.1 Net Utility Consumption Rates (per metric ton of 1-Hexene)

Utility	Consumption per metric ton
XXXXXXXXX	XXX XXX
XXXXXXXXX	XXX XXX
XXXXXXXXX	XXX XXX
XXXXXXXXX	XXX XXX

It should be noted that estimation of utility requirements in the conceptual design phase is usually fairly accurate, but tends to be somewhat low compared to real operations. Losses from vessel vents, unscheduled equipment, inerting systems, physical property inaccuracies, startup, shutdown and other process operations not typically addressed in this phase may increase utilities consumption.

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Appendix B

Material & Utilities Pricing Data - United States

This appendix presents details of the pricing data used in the economic analysis within this report.

Analysis Pricing Basis

The economic analysis presented is based on the prices seen in Table B.1.

Table B.1 Materials & Utilities Prices (United States, XXXX)

Description	Price	Unit	Remark
Raw materials			
XXX	XXX	USD/XXX	XXX
XXX	XXX	USD/XXX	XXX
Utilities			
XXX	XXX	USD/XXX	XXX
XXX	XXX	USD/XXX	XXX
XXX	XXX	USD/XXX	XXX
XXX	XXX	USD/XXX	XXX

Historical Prices

The evolution of material costs over the past three years is depicted in the following pages.

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Appendix C

Capital Costs Details - United States

This appendix details 1-Hexene plant cost, working capital, and additional capital, discussed in "*Chapter 8. Capital Costs Summary*."

Fixed Capital Cost Details

Fixed capital constitutes the fraction of the capital investment which is depreciable. It includes the 1-Hexene plant cost and owner's cost.

Plant Cost

The 1-Hexene plant cost, i.e., the cost related to the construction of the industrial site itself, is broken down into the components presented in Table C.1.

Table C.1 Plant Cost Estimate Accuracy Range (USD Million)

Component	Estimate	Lower Limit	Upper Limit	%
Inside battery limits (ISBL)	XXX	XXX	XXX	XX
Process contingency (XX% of ISBL)	XXX	XXX	XXX	XX
Outside battery limits (OSBL)	XXX	XXX	XXX	XX
Total process capital (TPC)	**XXX**	**XXX**	**XXX**	**XX**
Project contingency (XX% of TPC)	XXX	XXX	XXX	XX
Plant cost	**XXX**	**XXX**	**XXX**	**XX**

The lower and upper limits for the 1-Hexene plant cost figures, according to the accuracy range expected from conceptual evaluations presented in this report, are also presented in Table C.1. The presented range is associated with a confidence level of 90%.

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Figure C.1 summarizes all items that make up the plant cost.



Figure C.1 Plant Cost Summary

Further Details

For more information about the breakdowns for the 1-Hexene plant capital cost, the reader is referred to "*Appendix F. Plant Cost Breakdowns.*"

Owner's Cost

The owner's cost encompasses the expenses required to make the plant operational. Its components are presented in Table C.2.

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Table C.2 Owner's Cost Details

Component	Assumption	MM USD	%
Prepaid royalties	XX% of plant cost	XXX	XX
Miscellaneous costs	XX% of plant cost	XXX	XX
Owner's cost		**XXX**	**XX**

Fixed Capital Summary

Table C.3 summarizes the fixed capital components that result in total fixed capital.

Table C.3 Fixed Capital

Component	MM USD	%
Plant cost	XXX	XX
Owner's cost	XXX	XX
Total fixed capital	**XXX**	**XX**

Further Details

For more information about each cost presented in this appendix, the reader is referred to https://intrat.ec/m?f=/icc-methodology

Working Capital Details

Working capital, i.e., the funds for getting the plant into operation and meeting subsequent obligations, is broken down in Table C.4.

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Table C.4 Working Capital Details

Component	Assumption	MM USD	%
Accounts receivable	XX day(s) of total operating cost + corporate	XXX	
Accounts payable	XX day(s) of operating cash cost + corporate	XXX	
Net accounts receivable		**XXX**	**XX**
Raw materials inventory	XX day(s) of raw materials costs	XXX	XX
In-process inventory	XX day(s) of operating cash cost + corporate	XXX	XX
Products inventory	XX day(s) of total operating cost + corporate	XXX	XX
Supplies and stores	XX% of annual operating labor & maintenance costs	XXX	XX
Cash on hand	XX day(s) of operating cash cost + corporate	XXX	XX
Total working capital		**XXX**	**XX**

Additional Capital Requirements Details

Additional capital requirements are one-time expenses related to bringing a process on stream during plant start-up. Table C.5 presents the breakdown of this cost with all its components.

Table C.5 Additional Capital Requirements Details

Component	Assumption	MM USD	%
Operator training	XX day(s) of operating + supervision labor costs	XXX	XX
Commercialization costs	XX% of annual operating cash cost + corporate	XXX	XX
Start-up inefficiencies	XX% of annual operating cash cost + corporate	XXX	XX
Unschd. plant modifications	XX% of plant cost	XXX	XX
Start-up costs		**XXX**	**XX**
Land & site development	XX% of plant cost	XXX	XX
Total additional capital		**XXX**	**XX**

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Appendix D

Operating Costs Details - United States

This appendix details utilities cost, operating fixed cost and depreciation, discussed in "*Chapter 9. Operating Costs*."

Utilities Cost Details

Utilities cost component encompasses costs related to a plant's consumption of steam, electricity, fuel, and refrigeration. Table D.1 summarizes net utility costs for this cost analysis.

Table D.1 Net Utilities Details

Utility	Consumption	Price	USD/mt	MM USD/yr	%
XXXXXXXXX	XXX XXX	XXX USD/XXX	XXX	XXX	XX
XXXXXXXXX	XXX XXX	XXX USD/XXX	XXX	XXX	XX
XXXXXXXXX	XXX XXX	XXX USD/XXX	XXX	XXX	XX
XXXXXXXXX	XXX XXX	XXX USD/XXX	XXX	XXX	XX
Net utility cost			XXX	XXX	XX

Further Details

For more information about how the utilities cost components were estimated, the reader is referred to https://intrat.ec/m?f=/icc-methodology.

Figure D.1 illustrates the utilities with greatest impact on the total utility consumption.

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Figure D.1 Cost Distribution of Utility Consumption

Operating Fixed Costs Details

Operating costs directly tied to the plant capacity, but which do not change with the operating level. Table D.2 presents the breakdown of operating fixed cost.

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Table D.2 Operating Fixed Costs Details

Component	Assumption	USD/mt	MM USD/yr	%
Operating labor	XX operator(s); XXX USD/oper./h	XXX	XXX	XX
Supervision labor	XX supervisor(s); XXX USD/oper./h	XXX	XXX	XX
Payroll charges	related to operating and supervision labor	XXX	XXX	XX
Maintenance labor	XX% of plant cost per year	XXX	XXX	XX
Maintenance materials	XX% of plant cost per year	XXX	XXX	XX
Operating supplies	XX% of maintenance costs	XXX	XXX	XX
Laboratory expenses	XX% of operating labor costs	XXX	XXX	XX
Plant overhead	XX% of operating labor and maintenance	XXX	XXX	XX
Property taxes & insurance	XX% of fixed capital per year	XXX	XXX	XX
Operating fixed costs		**XXX**	**XXX**	**XX**

Depreciation

In this study, the depreciation unit cost corresponds to XXX USD/mt of Hexene produced. This calculation was based on the straight-line method and a project economic life of 10 years for both the core production unit (ISBL assets) and owner's assets, and 20 years for the site infrastructure (OSBL assets).

Further Details

For more information about how operating fixed costs components and depreciation were estimated, the reader is referred to https://intrat.ec/m?f=/icc-methodology.

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Appendix E

Product Value Details - United States

This appendix details corporate overhead costs and the return on capital employed, both of which make up the product value, presented in "*Chapter 10. Product Value Analysis*."

Corporate Overhead Costs Details

Corporate overhead is associated with costs incurred by a company's head office. Table E.1 presents a breakdown of corporate overhead costs.

Table E.1 Corporate Overhead Costs Details

Component	Assumption	USD/mt	MM USD/yr	%
Administration costs	XX% of operating labor and maintenance	XXX	XXX	XX
Information & technology	XX% of fixed capital	XXX	XXX	XX
Marketing & advertising	XX% of operating cash cost at full capacity	XXX	XXX	XX
Research & development	XX% of operating cash cost at full capacity	XXX	XXX	XX
Corporate overhead		**XXX**	**XXX**	**XX**

Return on Capital Employed (ROCE)

ROCE assumptions can vary according to the industry sector and technology readiness. For this specific process a ROCE percentage of XX% was assumed. This results in an increment of XXX USD/metric ton in the product value.

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Further Details

For more information about ROCE calculation, the reader is referred to https://intrat.ec/m?f=/icc-methodology

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Appendix F

Plant Cost Breakdowns

This appendix describes details of the plant cost which comprises the costs, directly or indirectly, associated with the construction of the plant itself. Therefore, different breakdowns are presented for a better understanding of the total cost associated with the construction of the plant under analysis, as follows:

* ISBL cost by functional unit. This section provides the contribution of each functional unit portrayed in the process block flow diagram in the cost of the inside battery limits (ISBL).
* OSBL cost by piece of equipment. This section provides a distribution of the investment required for the construction of the areas that comprise the site surrounding infrastructure, as well as it details the share of the costs of each component included in these areas.
* Plant cost breakdown per discipline. In this breakdown, the plant construction costs are rearranged into an alternative perspective: direct process costs, indirect process costs and project contingency.

ISBL Construction Cost Breakdown

In accordance with all the assumptions presented in this report, a cost estimate was developed for each functional unit inside battery limits (ISBL). Table F.1 shows the share of each functional unit.

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Table F.1 Process Unit (ISBL) Construction Cost by Functional Unit

Description	%
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
Process Unit (ISBL) Construction Cost	

Figure F.1 presents an illustration of the construction cost breakdown.

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Figure F.1 Process Unit (ISBL) Construction Cost by Functional Unit

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OSBL Construction Cost Breakdown

This analysis provides a more detailed explanation of the fixed capital associated with the process described in the report. More specifically, it is focused on the investment required for the construction of the site surrounding infrastructure, also referred to as Outside Battery Limits (OSBL), comprising support buildings, auxiliary units used for providing and distributing utilities and storage facilities. In accordance with the configuration previously presented, a cost estimate was developed for each facility outside battery limits.

Figure F.2 presents OSBL investment broken down into each area. The investment estimated for each area will be further detailed in the next topics.



Figure F.2 Site Infrastructure (OSBL) Construction Cost by Area

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Construction Cost: Area 90 - Storage Installations

This section details the cost estimate associated with Area 90 - Storage Installations. The components included in the estimate are detailed in the table below.

Table F.2 Area 90 - Storage Installations: Scope Description

Component	Description
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX

The following chart illustrates how each component impacts the construction cost estimate for this area.

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Figure F.3 Storage Installations Construction Cost per Piece of Equipment

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The cost of each component was based on the following assumptions:

XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX

XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX

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Construction Cost: Area 91 - Utilities Facilities

This section details the cost estimate associated with Area 91 - Utilities Facilities. The components included in the estimate are detailed in the table below.

Table F.3 Area 91 - Utilities Facilities: Scope Description

Component	Description
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX

The following chart illustrates how each component impacts the construction cost estimate for this area.

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Figure F.4 Utilities Facilities Construction Cost per Piece of Equipment

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The percentage associated with the remaining facilities is divided as follows:

* XXXXXXXXX - XX %
* XXXXXXXXX - XX %

The cost of each component was based on the following assumptions:

XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX

XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX

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Construction Cost: Area 92 - Support & Auxiliary Buildings

This section details the cost estimate associated with Area 92 - Support & Auxiliary Buildings. The components included in the estimate are detailed in the table below.

Table F.4 Area 92 - Support & Auxiliary Buildings: Scope Description

Component	Description
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX
XXXXXXXXX	XXXXXXXXX

The following chart illustrates how each component impacts the construction cost estimate for this area.

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Figure F.5 Support & Auxiliary Buildings Construction Cost per Piece of Equipment

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The percentage associated with the remaining facilities is divided as follows:

* XXXXXXXXX - XX%
* XXXXXXXXX - XX%

The cost of each component was based on the following assumptions:

XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX

XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX XXXXXXXXXX

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Site Infrastructure Cost Summary

Table F.5 Site Infrastructure (OSBL) Construction Cost by Piece of Equipment

Component	% of Total
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
Area 90 - Storage Installations	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
Area 91 - Utilities Facilities	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
XXXXXXXXX	XX
Area 92 - Support & Auxiliary Buildings	XX
Site Infrastructure (OSBL) Construction Cost	100.0

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Plant Cost Breakdown per Discipline

Introduction

The primary objective of this analysis is to provide an alternative perspective on the plant capital cost. This analysis presents the plant capital cost divided in three categories: (1) direct costs (all material and labor costs associated with the process equipment); (2) indirect costs (defined by the Association for the Advancement of Cost Engineering (AACE) Standard Terminology as those "costs which do not become a final part of the installation, but which are required for the orderly completion of the installation"); and (3) contingency.

It is important to highlight that the breakdown presented within this analysis refers exclusively to the Plant Cost figure included in the report.

The composition of direct field costs and indirect costs are further detailed in the next topics. Other fixed capital components, such as Owner's Cost, are not included in this breakdown.

The following chart presents the plant cost divided in each category described above.



Figure F.6 Plant Construction Cost Summary

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Direct Costs Breakdown

Fundamentally, the direct process costs are the total installed equipment cost (from purchase to installation, including the required installation bulks). They include the following disciplines: bare equipment, equipment setting, piping, civil, steel, instrumentation & control, electrical, insulation, and painting.

Accordingly, the chart below presents the direct costs broken down by aforementioned discipline.



Figure F.7 Direct Construction Costs by Discipline

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Indirect Costs Breakdown

The indirect costs account for field indirects, engineering costs, overhead, and contract fees.

Accordingly, the chart below presents the indirect costs broken down by aforementioned items.



Figure F.8 Indirect Costs Summary

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Plant Cost Breakdown Summary

The next table presents the detailed plant cost breakdown, based on the direct and indirect costs approach. Two alternative views are presented in the table:

(1) % of BEQ. Each component is presented as a percentage of the bare equipment (BEQ) cost;
(2) % of Total. Each component is presented as a percentage of total plant cost.

Table F.6 Plant Construction Cost by Discipline

Component	% of BEQ	% of Total
Bare equipment (BEQ)	XX	XX
Equipment setting	XX	XX
Piping	XX	XX
Civil	XX	XX
Steel	XX	XX
Instrumentation & control	XX	XX
Electrical	XX	XX
Insulation	XX	XX
Painting	XX	XX
Direct costs	**XX**	**XX**
Engineering & procurement	XX	XX
Construction material & indirects	XX	XX
General & administrative overheads	XX	XX
Contract fee	XX	XX
Indirect costs	**XX**	**XX**
Total Process Capital (TPC)	**XX**	**XX**
Project Contingency (of TPC)	XX	XX
Total Plant Cost	**XX**	**XX**

The absolute cost of the plant is presented in the table "*Plant Cost Summary*" in "*Chapter 8. Capital Costs Summary*." It is worth noting that the process contingency presented in the aforementioned table is included within each component listed in the table above.

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Further Details

For further information about the components included in the plant cost breakdown, the reader is referred to https://intrat.ec/m?f=/icc-methodology.

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Appendix G

Plant Capacity Assessment - United States

This assessment presents the impact of a plant capacity change on the economic analysis presented in this report. Additional capacity scenarios were analyzed using the same methodology and compared to the base case presented in the report.

The assessment is divided into two parts: (1) a capital investment comparison, examining fixed investment, working capital and additional capital requirements; and (2) an operating costs & product value comparison.

Capital Cost for Different Capacities

The economic analysis presented was reproduced for a range of plant capacities in order to estimate a curve that illustrates how capital investment varies with nominal plant output. This curve is presented in Figure G.1.

The minimum, mid-range and maximum capacities from Figure G.1 are compared in detail in Table G.1, which presents detailed capital cost figures to better portray how economy of scale impacts the process under analysis.

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Table G.1 Capital Investment Analysis for Different Capacities (USD Million)

	Smaller Plant	Base	Larger Plant
Capacity (mt/yr)	XXX	XXX XXX	XXX
Inside battery limits (ISBL)	XXX	XXX	XXX
Process contingency (XX% of ISBL)	XXX	XXX	XXX
Outside battery limits (OSBL)	XXX	XXX	XXX
Total process capital (TPC)	**XXX**	**XXX**	**XXX**
Project contingency (XX% of TPC)	XXX	XXX	XXX
Plant cost	**XXX**	**XXX**	**XXX**
Owner's cost	XXX	XXX	XXX
Fixed capital	**XXX**	**XXX**	**XXX**
Working capital	XXX	XXX	XXX
Additional capital	XXX	XXX	XXX
Total capital investment	**XXX**	**XXX**	**XXX**

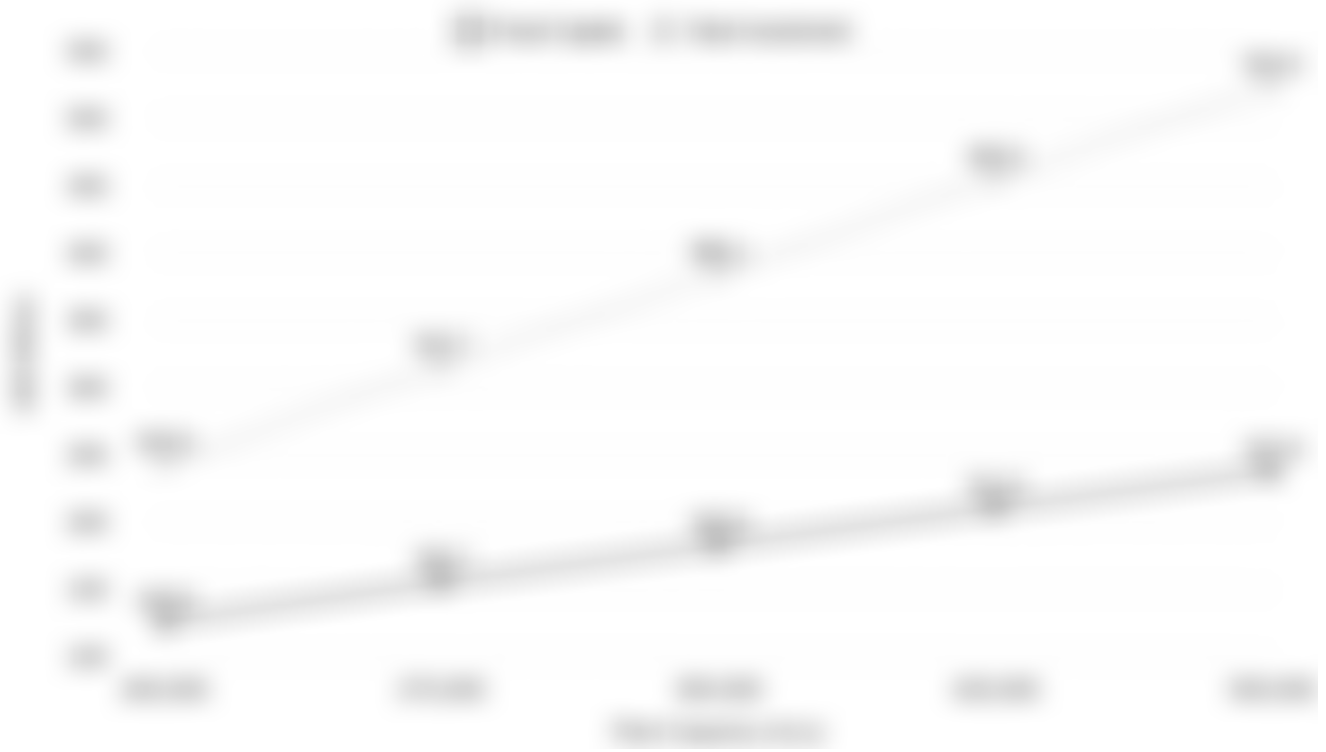


Figure G.1 Capital Investment Versus Plant Capacity

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Operating Cost for Different Capacities

The operating costs and the product value were also estimated for a range of plant capacities, resulting in Figure G.2.

A datasheet summarizing the process economics is reproduced in Table G.2, and it includes two additional scenarios evaluated in this assessment.

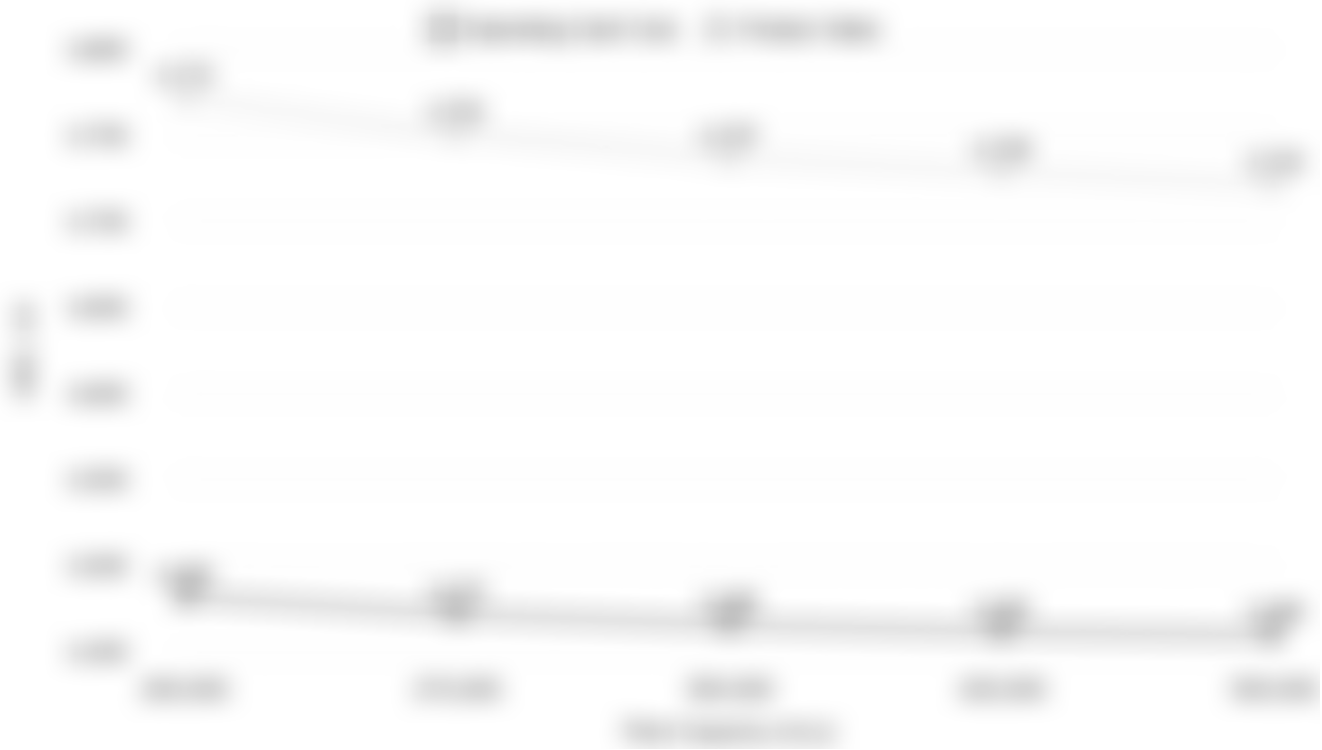


Figure G.2 Operating Cost Versus Plant Capacity

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Table G.2 Operating Cost & Product Value Analysis for Different Capacities (USD/mt)

	Smaller Plant	Base	Larger Plant
Capacity (mt/yr)	**XXX**	**XXX XXX**	**XXX**
Operating rate (h/yr)	XXX	XXX	XXX
Annual production (mt/yr)	XXX	XXX	XXX
Operating costs			
XXXXXXXXX	XXX	XXX	XXX
XXXXXXXXX	XXX	XXX	XXX
Gross raw materials cost	**XXX**	**XXX**	**XXX**
Net raw materials cost	**XXX**	**XXX**	**XXX**
Net utilities cost	XXX	XXX	XXX
Operating variable costs	**XXX**	**XXX**	**XXX**
Operating fixed costs	XXX	XXX	XXX
Operating cash cost	**XXX**	**XXX**	**XXX**
Depreciation	XXX	XXX	XXX
Total operating cost	**XXX**	**XXX**	**XXX**
Corporate overhead	XXX	XXX	XXX
ROCE	XXX	XXX	XXX
Product value	**XXX**	**XXX**	**XXX**

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Appendix H

Project Implementation & Construction Schedule

This appendix aims to present a preliminary project implementation schedule, encompassing the period from the decision to invest to the start of commercial production.

This is divided into five major steps:

(1) Basic engineering;
(2) Detailed engineering;
(3) Procurement;
(4) Construction; and
(5) Start-up.

The duration of each project phase is detailed in Table H.1.

Table H.1 Project Phases Schedule

	Phase Start	Duration
	Months after project started	Months
Basic engineering	XX	XX
Detailed engineering	XX	XX
Procurement	XX	XX
Construction	XX	XX
Commissioning & start-up	XX	XX

Since the project phases overlap, the total project duration is not equal to the sum of each phase duration. The Engineering, Procurement & Construction (EPC) period - from the basic engineering start until the end of construction - is about **XX months**. The total project duration, also including commissioning and start-up, is approximately **XX months**.

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Figure H.1 illustrates the project implementation and construction schedule and clarifies the overlaps among the distinct project phases.

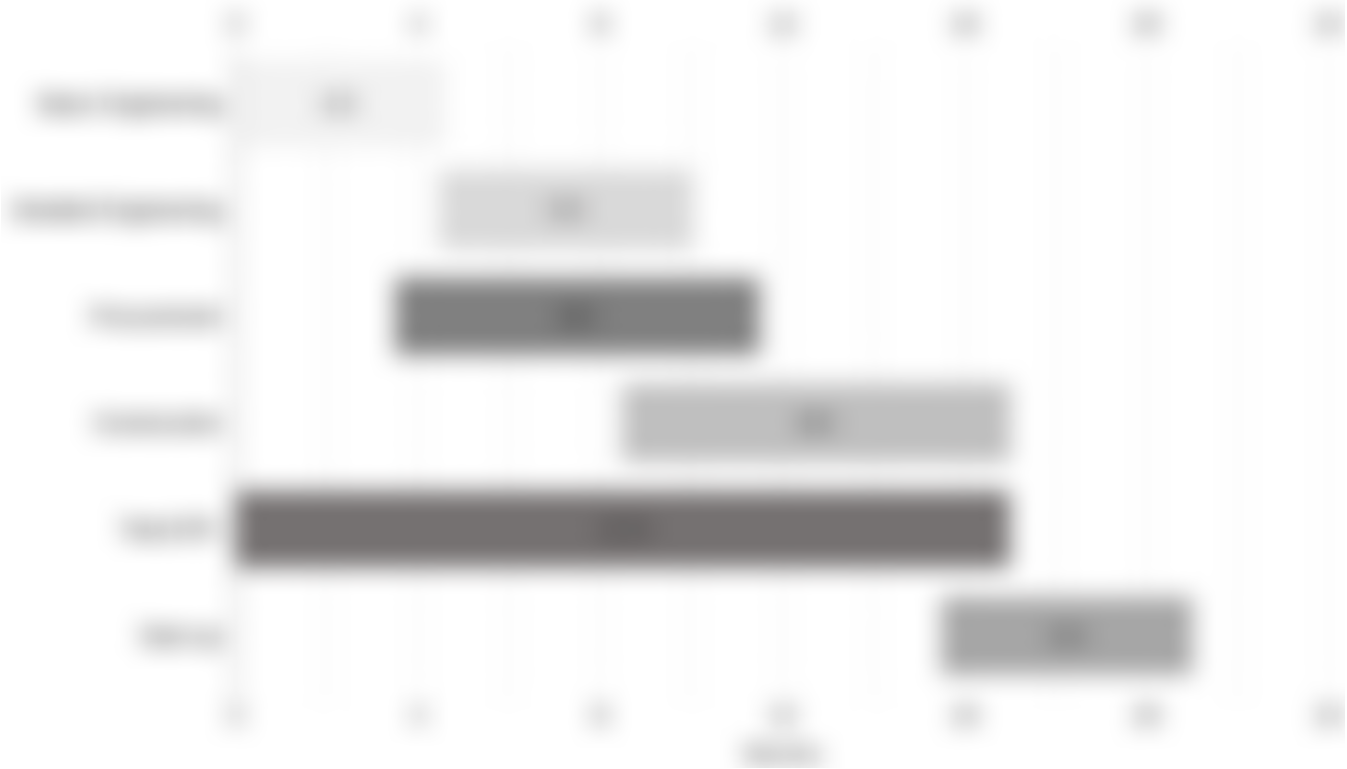


Figure H.1 Implementation & Construction Schedule

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Appendix I

Process Flow Diagrams & Equipment List

This chapter comprises a schematic representation of relevant operations of the process examined in this report. It indicates process operations, main process streams, main pieces of equipment and utilities consumed.

For better comprehension, the main conventions for equipment tags and symbols for lines used in the process flow diagram are listed in Figure I.1 and Figure I.2.

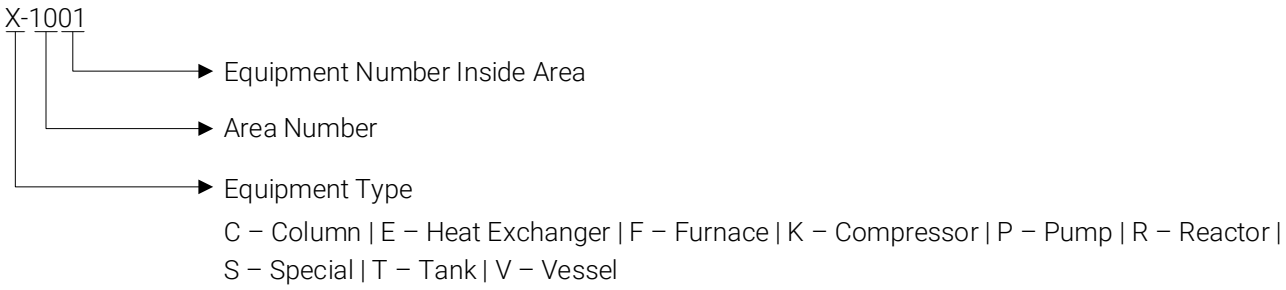


Figure I.1 Convention for Process Equipment Tags

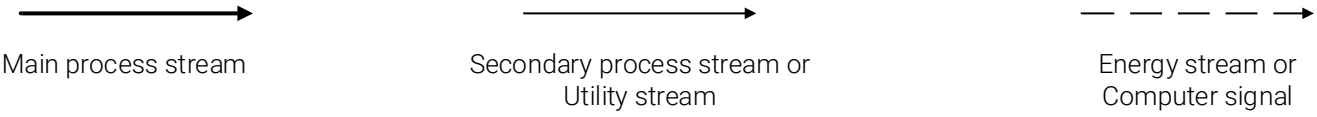


Figure I.2 Symbols for Lines

Table I.1 and Table I.2 present the different codes used along with their definitions.

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Table I.1 Diagram Legend - Utilities

Code	Definition
BFW	Boiler feed water
CW	Cooling water
DW	Demineralized water
FU	Fuel
HTF	Heat transfer fluid
N2	Nitrogen
O2	Oxygen
PC	Process condensate
PW	Process water
RF	Refrigerant
RW	Refrigerated water
ST	Steam

Table I.2 Diagram Legend - Equipment Type

Code	Definition
C	Column
E	Heat exchanger
F	Furnace
K	Compressor
P	Pump
R	Reactor
S	Special
T	Tank
V	Vessel

Furthermore, most of the symbol standards adopted in the development of the diagram are presented in the next figures.

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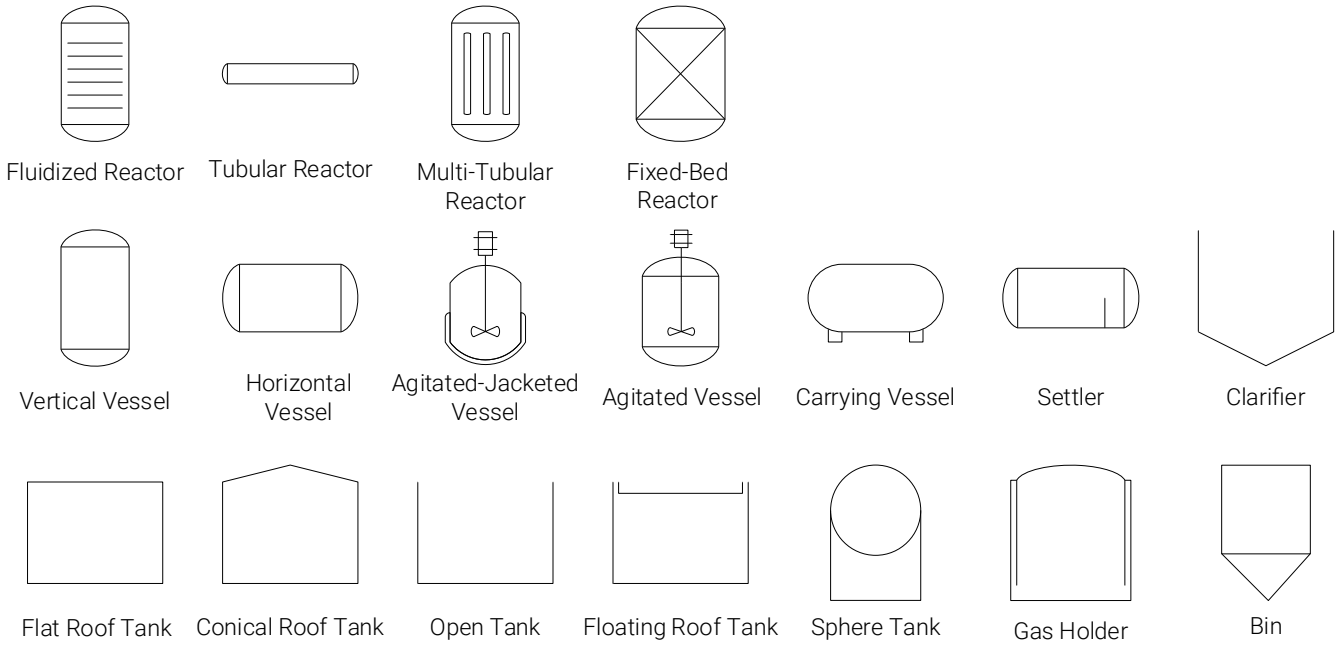


Figure I.3 Equipment Symbols - Reactors & Vessels

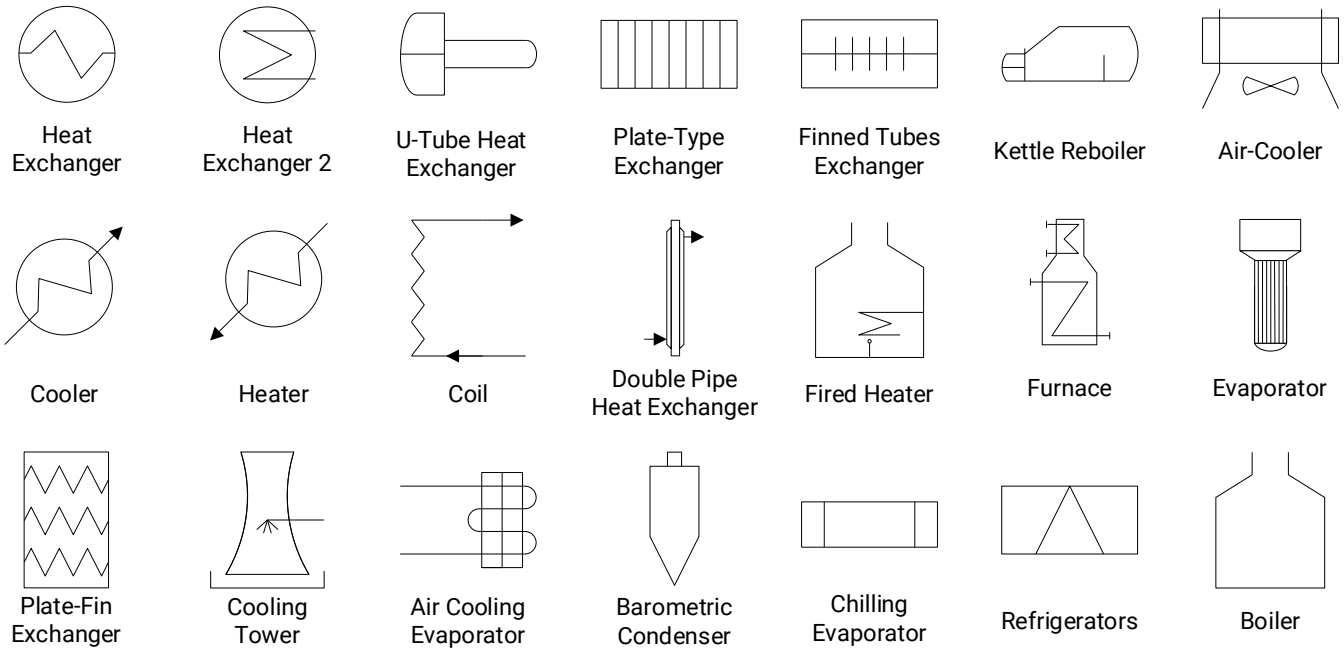


Figure I.4 Equipment Symbols - Heat Exchangers

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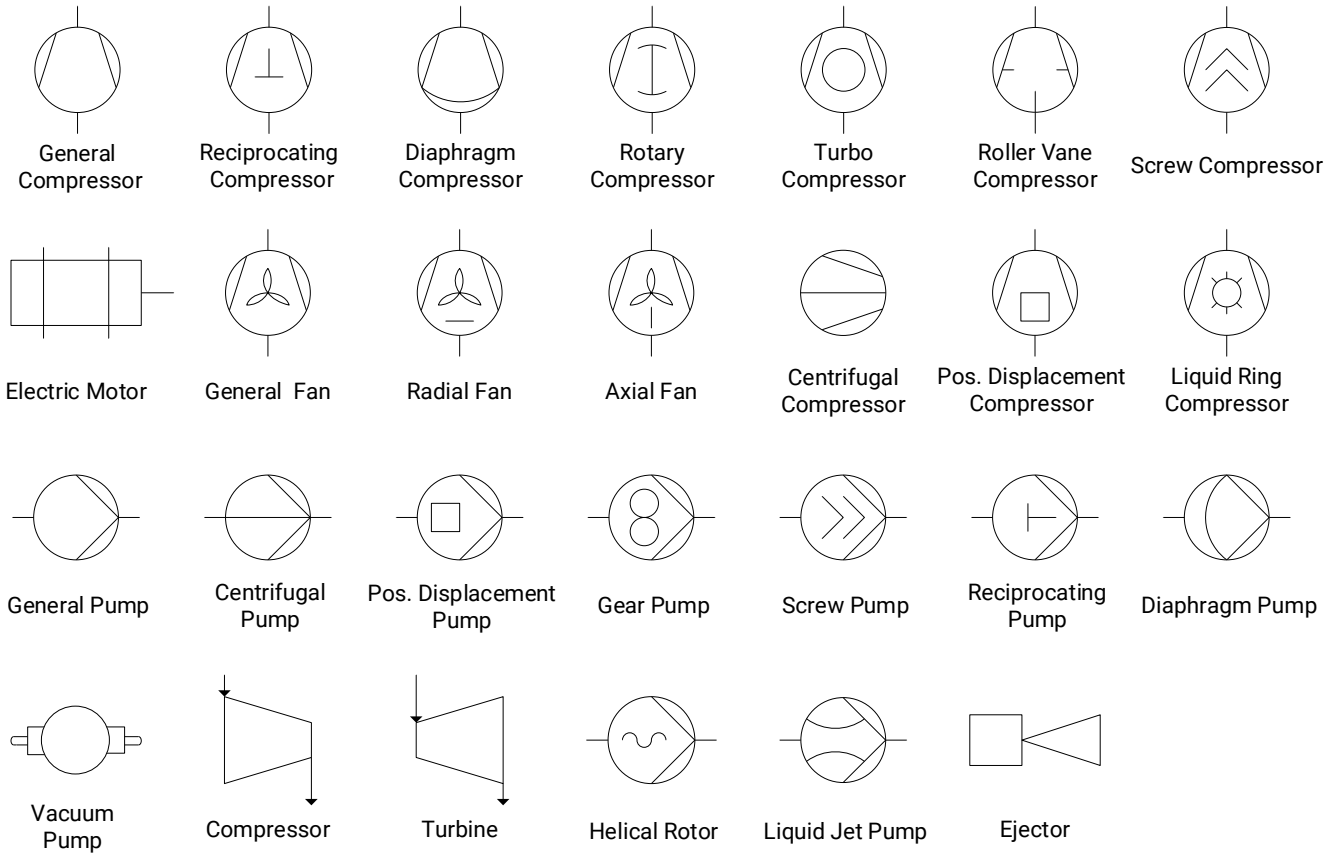


Figure I.5 Equipment Symbols - Compressors & Pumps

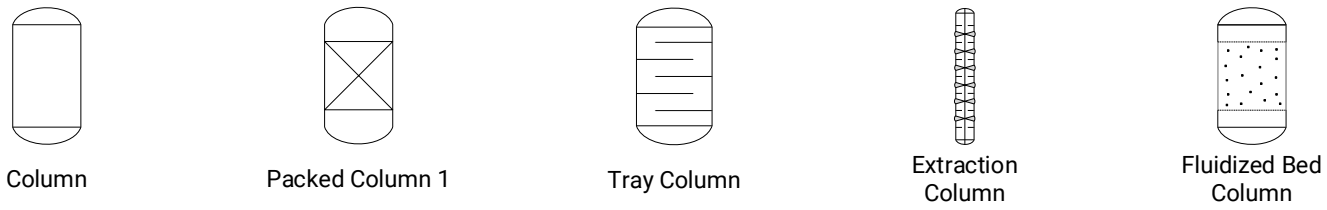


Figure I.6 Equipment Symbols - Columns

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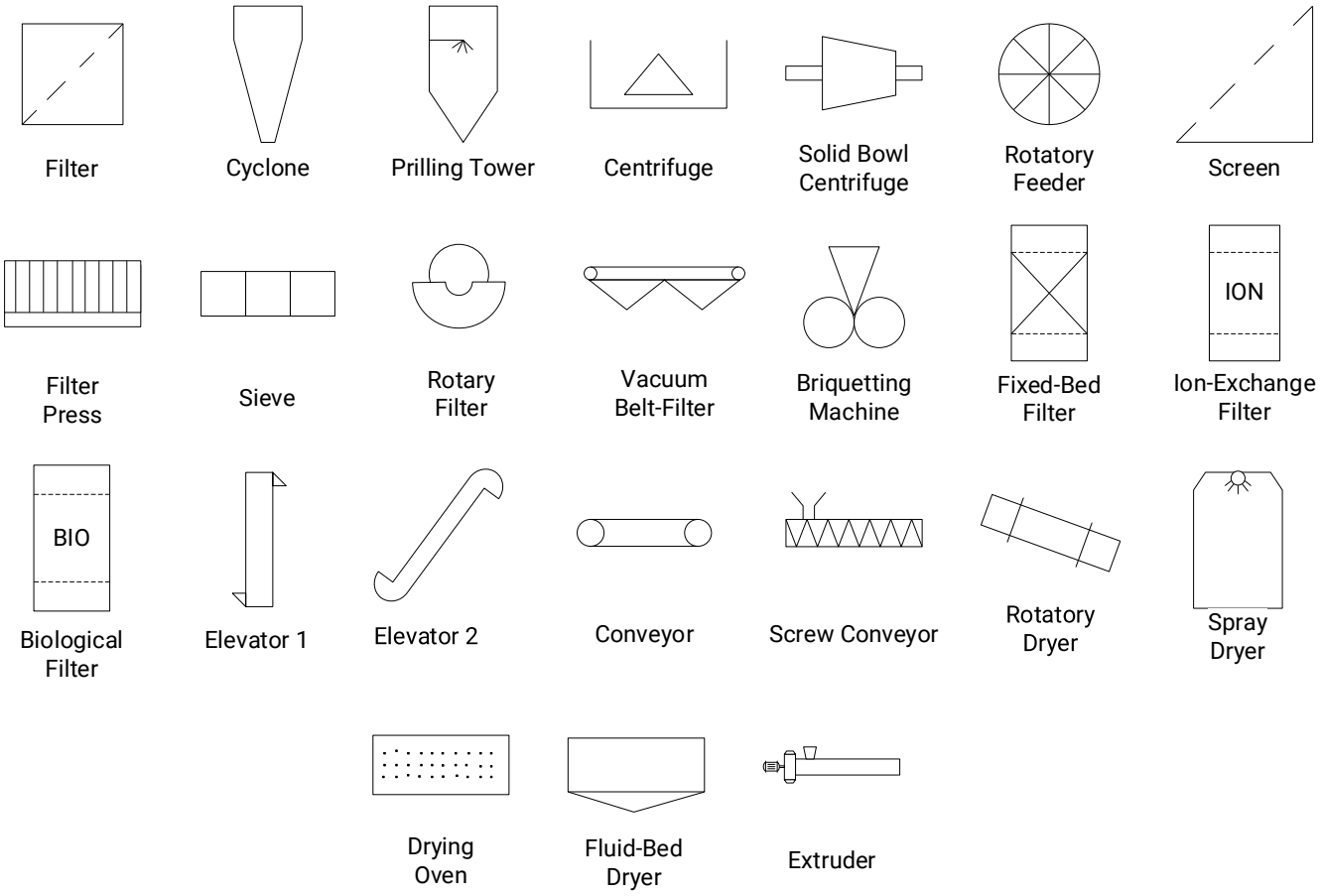


Figure I.7 Equipment Symbols - Solids Processing

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PROCESS FLOW DIAGRAM

1-HEXENE PRODUCTION FROM ETHYLENE

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Appendix J

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Appendix K

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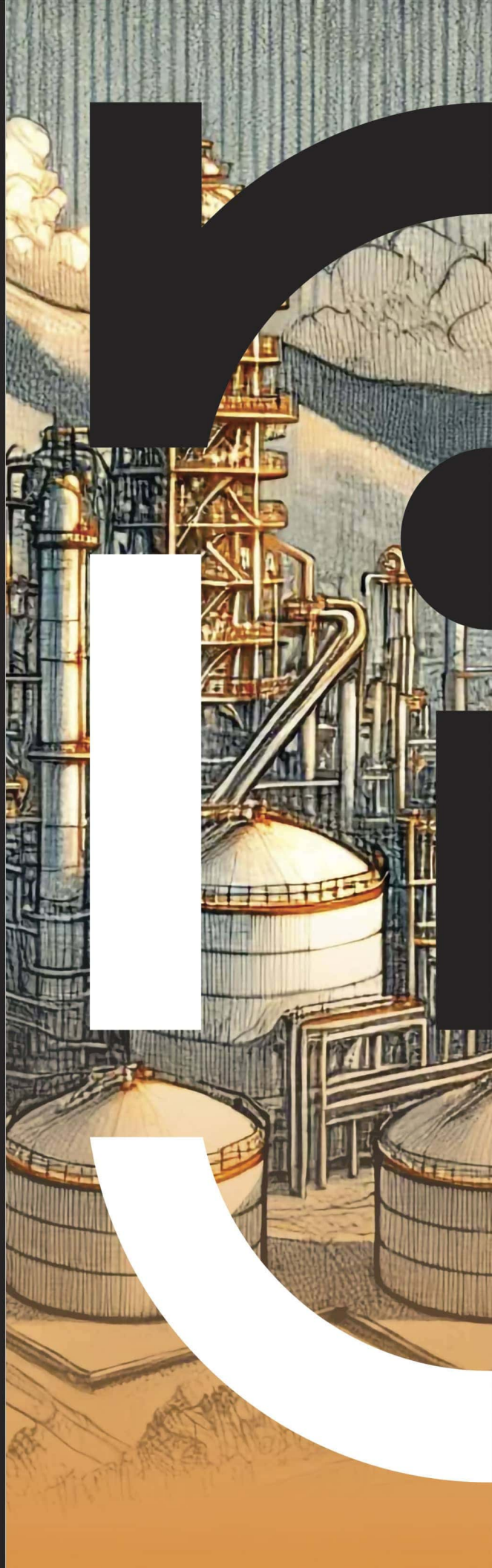
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