

"Lubricants and Base Oils in East Asia - Prospects in Recovering Markets"

Chem Systems is pleased to announce completion of a new multiple-subscriber study entitled ***"Lubricants and Base Oils in East Asia - Prospects in Recovering Markets"***. This study, which updates Chem Systems' landmark 1994 analysis of the Asian lubricant industry, provides a comprehensive analysis of market structures, competition, supply/demand, and trends in quality/specifications as well as the overall business attractiveness for both finished lubricants and base oils in Asia. With the region now clearly in the process of a strong economic recovery, this report provides necessary and timely input to key participants in all aspects of the lubricants business.

As indicated below, base oil prices began to increase during the fourth quarter of 1999 and continued to increase during 2000. However, underlying base oil feedstock pricing, tied to crude oil, rose much more rapidly over this period, so that margins for base oil production declined dramatically during most of 1999, although they partially recovered during 2000. ***A key focus of the regional assessment has been to provide a clear basis for forecasting future margins for the industry, tied to forecast regional balances for base oils and finished lubricants.***

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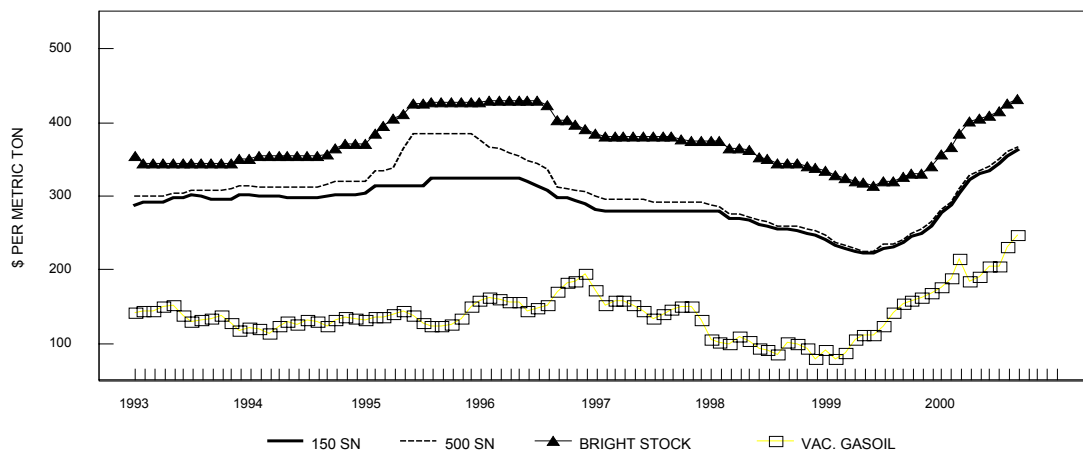


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The study profiles the East Asian market for lubricants and base oils within a global perspective, and identifies strategic opportunities for marketers and manufacturers to achieve sustainable competitive advantage. Geographically, the study covers the region as defined by Pakistan to the west, New Zealand to the east and south, and China and Japan to the north. Demand for finished lubricants has been determined for each major enduse sector and application, covering the historical period from 1995-1999 and annual forecasts for 2000-2005, and 2010.

The following have been provided for each major market in the region:

- Profiles of finished lubricant and base oil demand, including process and transformer oils
- Lubricant and base oil supply profiles and supply/demand balances, including consideration of used oil recycling/re-refining and the developing requirements for hydro-processed oils
- Country and regional profiles of market structure by each key participant. The impact of industry consolidation (e.g. ExxonMobil, BP/Castrol, Nippon Oil/Mitsubishi Oil, etc.) has been profiled
- Historical and projected outlook for base oil production margins
- Base oil and finished lubricant pricing profiles for major regional markets
- Trends and opportunities in the lubricant business generally

The lubricant industry and markets in each country in the region have unique characteristics. Thus, as indicated for Thailand below, the startup of both Thailube and TPI facilities during 1997/98 shifted the country from being a major import to a export position in base oils. The ramifications on base oil profit margins and finished lubricant marketing competition for Thai and regional producers have been profound. This study addresses the unique aspects of each of the region's major lubricant markets.

BASE OIL SUPPLY/DEMAND, THAILAND

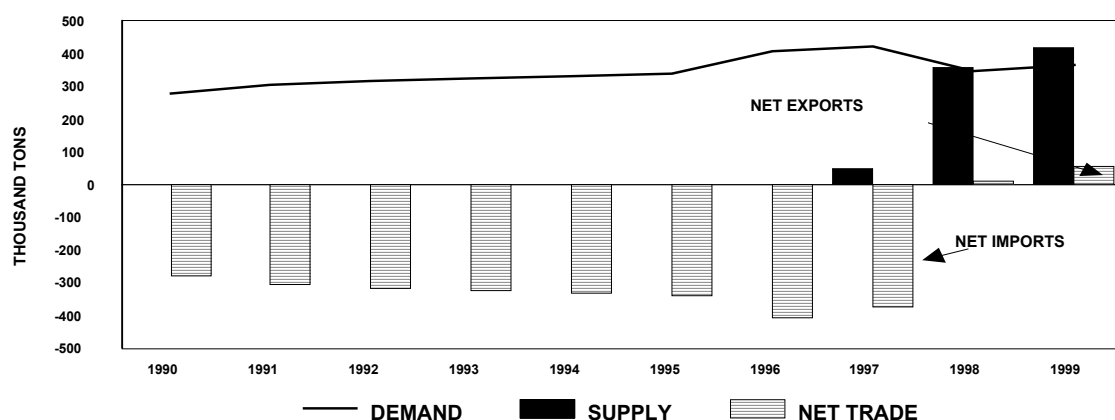


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This study was completed in early November, 2000. The purchase fee is US\$12,000.

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