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INEOS Styrolution

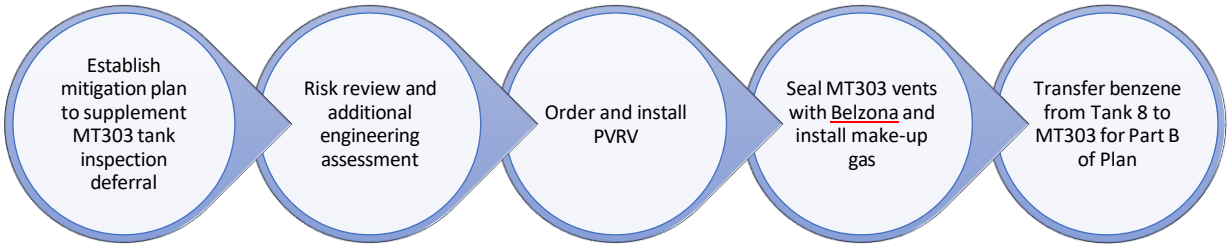
Introduction:

As per Item 1.4 of the ECA Amendment, INEOS Styrolution is submitting this written update on the site's Suspension Plan and the various benzene reduction projects occurring on site. Also as publicly announced on June 11, 2024, INEOS Styrolution has decided to permanently close the Sarnia Styrene monomer production site by June 2026. Given the closure decision, the site is undertaking significant evaluation of existing benzene emissions including robust site-wide ambient air quality modelling which will function as the roadmap for site emissions reduction/control efforts, subsequent re-startup plans and overall compliance with the Ministry of the Environment, Conservation and Parks (MECP) benzene limits. As we proceed through this benzene emissions assessment/modelling and project planning in the coming months, we expect there to be changes, perhaps some significant, to the Suspension Plan and ECA Amendment. Our goal is continued compliance with regulatory limits and orders and we ask for MECP's continued cooperation and consideration as our plans and targets evolve. Additionally, ongoing open communications with Ministry of the Environment, Conservation and Parks (MECP), Aamjiwnaang First Nation (AFN), and Environment and Climate Change Canada (ECCC) is crucial. On August 8, 2024, a joint monthly meeting will take place with the Ministry of the Environment, Conservation and Parks (MECP), Aamjiwnaang First Nation (AFN), and Environment and Climate Change Canada (ECCC) to discuss this update further along with evolving plans.

Benzene Removal from Benzene Storage Tanks (TK-8 and MT-303):

A benzene removal plan was submitted on July 16, 2024 to MECP, AFN, ECCC, and the City of Sarnia. Upon receiving comments from MECP and the AFN, a revised plan was submitted on July 24, 2024. On July 25, 2024, INEOS Styrolution received approvals for Part A of the benzene removal plan (i.e. transferring material above the internal floating roof height). As indicated in the 4-week forecast below, INEOS has begun working with third party companies to identify availability/opportunities and coordinate transfers specific to Plan A of the Benzene Removal Plan.

Part B of the benzene removal plan was discussed with MECP, AFN, ECCC, and the City of Sarnia on August 1, 2024, including a proposed alternative plan to seal tank MT303 and further reduce emissions. Details for ordering a PVRV suitable for tank MT303 will be finalized in the coming weeks. Further guidance and discussions with MECP is required to obtain approvals for this approach.



Available engineering shows Tank 8 cannot be sealed, which is why modelled emissions were projected to be elevated. Other emission reduction options could be considered with further/additional engineering.

INEOS Styrolution received extensive comments/questions from the MECP regarding Part B of the benzene removal plan on July 30, 2024. Based on these comments and questions, INEOS will be required to submit another revision to Part B of the benzene removal plan. Additionally, on July 18, 2024, the alternative compliance plan was approved by ECCC, which outlined the requirement to remove benzene from Tank 8 and seal MT303 before October 16, 2024

There is a cascade of coordinated activities required to remove benzene from the storage tanks. Once written approvals are obtained from MECP, as required by Item 1.3d of the ECA Amendment, third party resources from vairous suppliers must be obtained as well as coordination with third-party transportation services to

receive and transport benzene (availability is limited). Logistical complexity, availability and extensive timing of this non-routine activity should not be underestimated. It is currently unclear when MECP will provide approvals for Part B of the Benzene Removal Plan so coordination with these third-party entities is pending/ongoing. Upon approvals of the revised Part B of the Benzene Removal plan from MECP, INEOS Styrolution will work towards compliance with ECCC's Interim Order and Alternative Compliance Plan timelines.

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a) Additional Tank De-inventory

In addition to the benzene storage tanks (Tank 8 and MT-303), ECCC's Interim Order requires Tank MT109 (off-spec material for the ethylbenzene unit) and MT401 (oily water tank) to be sealed with vapour control system if they remain in High Benzene Service. In the alternative compliance plan approved by ECCC on July 18, 2024, INEOS Stryolution is required to reduce the benzene concentration in tanks MT109 and MT401 below 20% wt. benzene before October 16, 2024. INEOS Styrolution is working towards completing this within the prescribed timelines, as mentioned in the revised Suspension Plan submittal provided to MECP on July 30, 2024.

b) Sump Cleaning

INEOS Styrolution is inquiring with vendors that specialize in cleaning sediment from sumps with appropriate emissions controls. Cleaning out the wastewater sumps will begin once technical assessments are completed and emissions control solutions are identified and implemented such that benzene emissions are sufficiently reduced to meet compliance limits. Currently the SG202 is not being utilized to manage hydrocarbons and are very low contributors towards benzene emissions; however, it is necessary to manage rainwater on site.

Benzene Reduction Projects:

In light of the site's recent closure announcement, INEOS Styrolution is completing site-wide benzene air emissions modelling to assess reduction projections and feasibility of re-start in order to meet the benzene compliance limits of O.Reg. 206/24. Several of these benzene reduction projects only provide impact on the premise of restarting. As a result, benzene reduction projects are temporarily on hold until this assessment has been completed.

4-Week Forecast – Emission-related Activities:

The following activities are anticipated to occur in the month of August:

1. Transfer off-spec material to railcar
2. Begin de-inventory of ethylbenzene unit to off-spec tank for winterization
3. Isolate and decontaminate PP-357 (Styrene 1 benzene pump on the LDAR Delay of Repair list) for LDAR repair
4. Begin implementation of Part A of the benzene removal plan
5. Implement Part B of the benzene removal plan if required approvals are obtained

Ongoing communication related to these activities and specific timing will take place during the daily calls with MECP and AFN.