



FOR IMMEDIATE RELEASE

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July 2008 Pinnacle Polymers Market Update

As propylene prices have been announced to go up in July it would be the 5th consecutive Month that our raw material costs increase.. It has been impossible to recuperate these cost increases from our customers and we have seen our margins decrease every Month.

We feel that these unprecedented feedstock prices will eventually be choking demand with many of our customers and we will see more permanent demand erosion that will enhance the pressure on the polypropylene industry in North America. This would potentially leave many parties without a chance of recovery.

We also expect the lack of margin with PP producers to cause more capacity shut downs that will lead to lower propylene demand in the medium and long term, with potentially lower feedstock pricing going forward but this may be too late for many. These expected 'lower' prices may very well be higher than today's price.

Pinnacle Polymers will be pricing product dependent on monomer pricing going forward. We will be in many cases unable to quote fixed pricing and will have to finalize prices after shipments have already been done.

Pinnacle Polymers supplies polypropylene into all industries in North America, direct or through resellers, but also exports a significant amount of its production, direct as well as through distributors and agents.

In the export arena we are happy to announce that *CLP Petrochemicals* has been selected to market Pinnacle Polymers products into Israel and Egypt. CLP has represented or sold for Pinnacle Polymers in those countries for the better part of 3 years and is located in Israel with contacts as follows:

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Contacts:

For distribution within North America contact Deneice Bercegeay:
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For direct sales within North America contact Ray Buckwalter:
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For your polymer needs in Turkey contact Aydemir Esencan:
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