

Construction of a gas chemical complex for the production of methanol and olefins in Aktau

Project overview:

Construction of a gas chemical complex for processing natural gas and methanol using specialized technologies, where gas is primarily processed into methanol, and methanol, subsequently, processed into olefins.

Commercial products and annual output:

- AA class methanol: 1,800 thousand tonnes per year;
- Olefins: 600 thousand tonnes per year (propylene - 360 thousand tonnes, ethylene - 240 thousand tonnes).

Initiator:

WestGasOil LTD, an industrial enterprise in the West Kazakhstan Oblast, which is engaged in large-scale gas chemical projects.

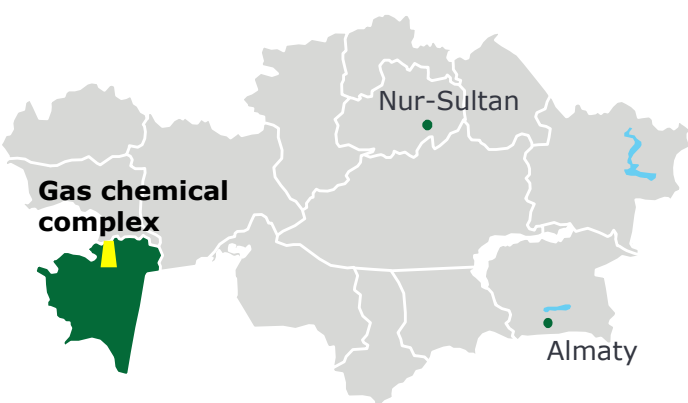
Project location: Mangystau Oblast, Aktau

Consumer markets: domestic market, Europe, Russia.

Key investment indicators

Indicator	Results
Investment, US\$ thousands	1,800,000
Project NPV, US\$ thousands	1,068,605
IRR, %	21.2%
EBITDA returns, %	63%
Payback period, amount of years from the start of production	6.9
Discounted payback period, amount of years from the start of production	9.7

Project location: Mangystau Oblast, Aktau



Market assumptions:

Growing demand for methanol and olefins

According to a report by Market Research Future® (WantStats Research And Media Pvt. Ltd.), the global methanol market is expected to reach US\$ 61 billion by 2023. Global imports of propylene are growing at an average rate of 2.2% per year, while ethylene imports are growing at an average rate of 4.2% per year.

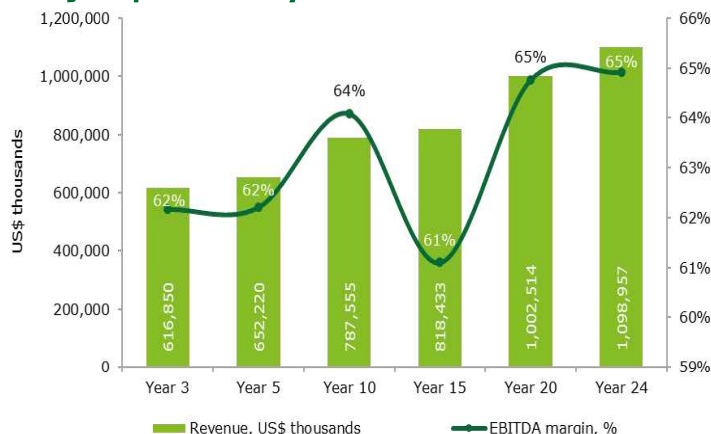
Import substitution

Over the past five years, Kazakhstan imported about 24 thousand tonnes of methanol per year, despite the fact that import volumes grow by an average of 14% per year. Production of domestic products will reduce the volume of gas and chemical imports.

Export potential

Besides sales, products will also be exported. The external market is attractive for sales due to the growing demand and availability of cheap raw materials, which opens up significant prospects for the organization of export of the Project's products.

Project profitability



Technological flows during Project implementation period

