

Construction of a gas-chemical complex for the production of methanol in the West Kazakhstan region

Project overview:

Construction of a gas-chemical complex for the production of methanol in the West Kazakhstan region

Raw materials:

natural gas (potential supplier – “Zhaikmunai” LLP)

Commercial products:

AA grade methanol

Output capacity:

Production of 350,000 metric tons of methanol/year;

Consumption of 306,000 thous. normal cubic meters of natural gas/year.

Project initiator:

Limited Liability Partnership “Zhaik Petroleum Ltd”

Project location: country district Beles, Zelenovsky district, West Kazakhstan region.

Consumer markets : Sweden, Finland, Kazakhstan.

Market assumptions:

Growing demand – According to a report by Market Research Future® (WantStats Research And Media Pvt. Ltd.), the global methanol market is expected to reach \$ 61 billion by 2023. Methanol is widely used as an alternative fuel in internal combustion engines due to its efficiency and cost-effectiveness.

Import substitution – Kazakhstan is 100% import dependent on methanol, the annual consumption of which is at least 25 thousand tons. Imported methanol is used by gas industry enterprises as a method to combat the formation of hydrates. The need to import methanol (raw materials) at high prices determines the price non-competitiveness of Kazakhstan's final products and enterprises.

Availability of customer base – The largest potential consumers can be large oil-extracting and oil refineries of Kazakhstan, importing gas chemical elements for the production of drilling fluids, coagulants and inhibitors.

Investment attractiveness of the Project

Indicator	Results
Investment, US\$ thousands	166,100
Project NPV, US\$ thousands	127,522
IRR, %	22.4%
EBITDA returns, %	43%
Payback period, years	6.3
Discounted payback period, years	9.3

Project Location:

country district Beles, Zelenovsky district, West Kazakhstan region



Raw materials availability – The plant will be built in the West Kazakhstan region, bordering the Aktobe and Atyrau regions, the country's oil and gas centers. In the region itself there is the Karachaganak oil and gas condensate field, with reserves of 1.35 trillion cubic meters of gas and 1.2 billion tons of oil and gas condensate.

Project profitability

