

Construction of a chemical complex in Sastobe

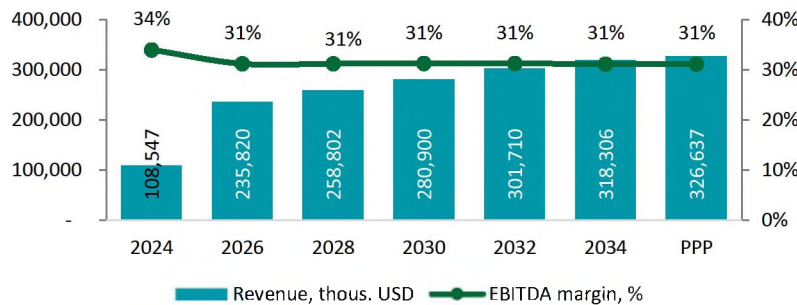
Annual capacity:

99% solid granulated caustic soda – 50 thous. tonnes;
 liquid chlorine – 12.1 thous. tonnes; 50% NaOH – 50 thous. tonnes;
 PVC – 120 thous. tonnes; quick lime – 15 thous. tonnes; portland
 cement – 895 thous. tonnes.

Project investment attractiveness :

Investment – 315,000 thousand USD
 Project NPV – 420,863 thousand USD
 IRR – 12%
 Payback period – 8 years

Project profitability



Project

The Project provides for the construction of a chemical plant to produce caustic soda, liquid chlorine, polyvinyl chloride (PVC), quick lime and cement in the Turkestan Oblast village of Sastobe. The plant will be built on two sites covering an area of 60.2 ha and leased for 10 years.

Company

The Company is a subsidiary of “Ontustik” Financial Trade and Industrial Corporation LLP and a diversified business producing hydrocarbons, producing cement and others. The Project guarantor is its affiliate Standard Cement LLP.

Market

- In 2020, global imports of portland cement totalled 82 million tonnes, quick lime 6 million tonnes, liquid chlorine 492 thousand tonnes, PVC 12 million tonnes and caustic soda 16 million tonnes.
- Cement production has good export potential: in the last five years exports from RK increased 4.4 times to 2 million tonnes. Production volumes of caustic soda in RK – 30,000 tonnes. About 87% of domestic demand for lime is covered by domestic production. The country has no established commercial production of PVC and chlorine.

What is the project's attractiveness?

- **The Company's own raw materials base** helps reduce production and transportation costs, and also ensure the required product quality. The Initiator holds subsoil rights to produce coal at the Taskomyrsai field (subsoil use period until 2040), to explore limestone at the Karakus-1 and Karakus-2 fields (until 2040) and produce salt for 25 years from the Ulken Sor lake (until 2024) in Turkestan Oblast's Tyulkubass and Suzak Districts.
- **Advantageous production location.** The proposed plant location in Sastobe, which is in Turkestan Oblast's Tulkubass District, is advantageous due to its proximity to sources of production raw materials and low gas prices, as well as access to a developed transportation hub for all regions of the country and neighbouring countries (Russia, China, Uzbekistan and Kyrgyzstan).

Investment proposal

The Project requires investment of 315,000 thousand USD, of which:

- 80% (252,000 thousand USD) – debt financing from DBK;
- 20% (63,000 thousand USD) – investor participation.

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined after joint talks with the investor.

Project location

