

Kazakhstan updates on large-scale oil and gas processing projects

Miramgul Maralova — April 09, 2012

Kazakhs are in talks with Italy's Eni and Britain's Petrofac on construction of Karachaganak gas processing plant, Mr. Umirzak Shukeyev, the head of SWF Samruk-Kazyna said on Friday.

As instructed by President Nazarbayev in his 2012 annual address, the government plans to procure design documentation and receive cost estimates for the plant this year. According to Mr. Lyazzat Kiinov, the head of KMG NC, Eni proposed to implement the project in 2015-2019 at a cost of \$4.9bn, while Petrofac said it can complete the project in 2013-16 at a cost of \$2.5bn. It is planned that Karachaganak gas processing plant will supply commercial gas to the central regions of the country.

According to Samruk-Kazyna CEO, Kazakhs plan to start another large-scale project - construction of the first phase (polypropylene production) of a gas and chemical complex in Atyrau - as early as this year and prepare design documentation and cost estimates for the second phase (polyethylene production) by the year-end. Mr. Shukeyev also mentioned that the government has chosen a consortium of Sinopec Engineering and Marubeni Corporation as the general contractor of the deep oil conversion complex construction at Atyrau refinery and is currently negotiating project funding with JBIC and China's Eximbank.

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