



Construction of a treatment plant for the disposal of petroleum waste from oil fields

Products

Company's key services include treatment of the following: disposal volume – 60,000 tonnes. The company has the opportunity to further expand disposal capacity if the volume of orders increases.

Investment attractiveness of the project:

Investment – US\$ 3,358 thousand
 NPV – US\$ 6,250 thousand
 IRR – 44.4%
 Payback period – 4.3 years

Project

This investment project ("Project") aims to improve the production infrastructure of a partially commissioned treatment plant for the disposal of petroleum industrial waste.

Company

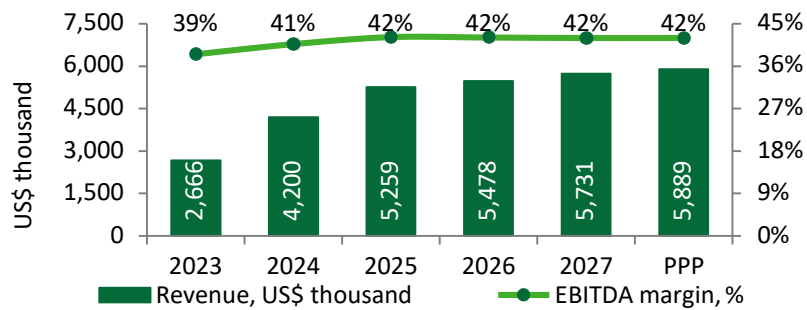
The Company has a permit for environmental emissions for objects of categories I, II and III issued by Kazakhstan's Ministry of Ecology, Geology and Natural Resources, with an annual volume of pollutant emissions not exceeding 33.35 tonnes until 2026 inclusive.

The Initiator is ready to sell a 70% stake in the Company for US\$ 4.5 million

Market

- **Oil growth in OECD.** According to the EIU, oil demand growth between 2022 and 2031 will be supported mainly by non-OECD countries, especially in Asia, while consumption will either stagnate or decline in high-income OECD countries. Growth will be higher in industrialized countries driven by rapid economic growth, strong car market penetration and rising per capita incomes.
- **Oil sludge in the Republic of Kazakhstan.** The level of "resources" of oil sludge, including the volumes that existed at the beginning of the year, as well as the amount of waste generated during the year and received from other persons, increased in the Republic of Kazakhstan from 68 thousand tons in 2016 to 460 thousand tons at the end of 2020. (nearly sevenfold growth with a CAGR of 61%).

Project profitability



Location



What is the attractiveness of the project?

- **Infrastructure in place.** At the moment, the Company has a fenced land lease with the right to purchase and extend, with the main equipment installed and auxiliary facilities erected. There are permits to connect to infrastructure facilities.
- **Positive environmental changes.** According to Kazakhstan's Ministry of Ecology, pollution by crude oil and petroleum products is observed in the country on an area of more than 1.5 million hectares. A large share of pollution, both of soil and environment, falls on Atyrau Oblast - 59%, Aktobe Oblast - 19%, West Kazakhstan Oblast - 13% and Mangystau Oblast - 9%. The Project implementation would contribute to the improvement of the unfavorable environmental situation in the western regions.
- **Unique mobile equipment.** The mobile disposal equipment installed at the plant (in containers) can be used for utilization of petroleum waste resistant to separation of raw materials (emulsions) both at its own landfill and at the customer's site.

Investment proposal

- The Project requires investment of US\$ 3,358 thousand, of which :
- 70% (US\$ 2,351 thousand) – debt financing subject to collateral;
 - 30% (US\$ 1,007 thousand) – investor participation.

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.