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# Oman's Mega Petrochem Project

## *OQ Liwa Plastics*

Despite facing unprecedented market headwinds, Oman's integrated global energy company, OQ, has pressed ahead with one of its boldest projects: the US\$6.7 Bn Liwa Plastics Industrial Complex (LPIC), set to begin production later this year. This transformational project will firmly put the Sultanate on the global petrochemicals map and enhance OQ's contribution to the national GDP.

LPIC comprises a gas extraction plant in Fahud, in Oman's central plains; a 300 km pipeline from Fahud to Suhar on Oman's Arabian Gulf coast, near Liwa, for which the complex is named; a steam cracker plant; and polymer plants (High Density Polyethylene "HDPE", Linear Low Density Polyethylene "LLDPE", and a polypropylene plant) in Suhar Industrial area.

The steam cracker plant will process light ends (the light hydrocarbon gases that come off the top of distillation towers and fractionators) produced in OQ's plants in Suhar as well as rich gas received from the Fahud plant. The plant's concept lies in rerouting high-value elements from existing production streams --to deliver high-value polymer products for the local and international markets. The project will also produce by-products that will be fed back into the company's Refineries and Aromatics Complex.

LPIC is considered a key asset in OQ's long-term strategy to develop an integrated hydrocarbon value chain. The aim of the project is to create value-added products derived from crude oil and natural gas. LPIC redirects high-value by-products to deliver high-grade polymer products for the local and international markets. The project will boost OQ's production of high-grade polyethylene and polypropylene to 1.5 million tonnes per annum.



The completion of LPIC has provided vast job and training opportunities that in turn has helped create a pool of specialised national talent. Furthermore, LPIC has also injected over US\$1.5 bn in local goods and services into the economy, deepening the positive impact of the company and driving the transformation of the Sultanate’s hydrocarbon industry.

With the global market for plastics growing, LPIC will enable Oman, for the first time, to produce polyethylene, the form of plastic that rates highest in terms of global demand, as well as increase the current production of polypropylene. OQ has also ensured the future-readiness of LPIC by implementing the latest technological advancements at every stage of its construction. Built in accordance with the highest international standards and implemented with best available technology, LPIC sets an industrial benchmark for projects around the world.

In addition, OQ Downstream announced the commencement of the first base resin sample of polypropylene being produced for the first time using the new LyondellBassell technology in LPIC. Polypropylene resembling Luban (and having the same brand name) is used to make various packaging products, machinery parts and medical applications. LPIC is considered a key asset in the company’s long-term strategy and collaboration with the contractor Technimont has helped to achieve this significant milestone.



The commissioning phase begun in May and marks the execution of the final stages of construction leading up to commercial production in the last quarter of this year. LPIC takes OQ’s Downstream portfolio in Oman a step closer to realising our vision for diversification.

“We are establishing a state of the art, integrated refinery and petrochemical facility combination”, Ahmed Al Jahdhami, Chief Executive Officer for Downstream, said of the project. “With LPIC coming online, we are one step closer to realising our vision for diversifying our Downstream portfolio in Oman. This transformational project will firmly put the Sultanate on the global petrochemicals map and enhance OQ contribution to the national GDP”.