

Sasol mulls building ethylene cracker complex

South African energy and chemicals company Sasol is considering building a new world scale ethylene cracker and derivatives complex, which could cost up to US\$4.5bn or about R37.6bn.



Sasol on Wednesday said it had approved a feasibility study for the complex, which is seen an important next step in the growth of Sasol's chemicals business.

It is envisaged that the cracker will produce between 1 million and 1.4 million tons of ethylene per annum.

Current estimates are that a cracker and derivatives complex of this size, will cost between US\$3.5bn and US\$4.5bn.

The study is focused on opportunities at Sasol's North America operating site in Lake Charles, Louisiana.

"We believe strategic growth in chemicals will take full advantage of the natural gas opportunities along the US Gulf Coast and the anticipated growth will strengthen Sasol's overall portfolio," said Sasol CEO David Constable.

At 2.52pm local time Sasol's shares were R3.45 firmer at R374 a share on the JSE. The stock has gained 4.48% or R16.02 this month to date.