

# Sasol Advances Major Chemicals And Fuels Projects

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The South African fuels and chemicals maker Sasol will proceed with engineering and design for building gas-to-liquids and ethylene plants at its Lake Charles, La., complex. The project, which may cost as much \$21 billion to complete over a five- to seven-year period, is being billed as the largest manufacturing investment ever for the state of Louisiana and one of the largest-ever direct foreign investments in the U.S. The gas-to-liquids facility will reform natural gas extracted from shale into a mixture of hydrogen and carbon monoxide. It will then use a Fischer-Tropsch process, which converts the mixture into hydrocarbons, to make fuels and chemicals such as diesel, jet fuel, naphtha, paraffin, and base oils. Expected to cost between \$11 billion and \$14 billion, the gas-to-liquids plant will open in phases. The first phase will start up in 2018 with 48,000 barrels per day of capacity. The second phase will double the plant's size the following year. The ethylene cracker will use shale-based ethane as its feedstock. Downstream from the 1.5 million-metric-ton cracker, Sasol plans to build polyethylene, ethylene oxide, synthetic alcohols, 1-octene, and ethoxylation facilities. The complex will cost between \$5 billion and \$7 billion and is slated for completion in 2017. The project is predicated on North American natural gas remaining a much cheaper raw material than oil, Sasol Senior Group Executive André M. de Ruyter told reporters on a conference call. Recent price ratios of a barrel of oil to a million Btu of natural gas have been about 30 to 1, he noted, and the project would still be viable at a ratio of 15 to 1. "Gas-to-liquids would make an enormous amount of sense if we could have the plant up and running today," he said. Sasol has delayed plans for a gas-to-liquids project in Canada until it completes the Lake Charles plant.

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