



BUILDING POLYMER BUSINESS: SIBUR AND GAZPROM NEFT

Companies to develop polypropylene production in Omsk.

Gazprom Neft and SIBUR have consolidated 100% of the authorised capital in Poliom, a polypropylene plant in Omsk, and are planning to jointly operate the facility. Launched in 2013, Poliom is one of Russia's largest polypropylene producers. In 2014, Poliom became the basis for a JV of Gazprom Neft (25%), SIBUR (25%) and the Titan Group (50%). This year, Sibgazpolimer, a joint venture of Gazprom Neft and SIBUR, purchased the Titan Group's stake in the authorised capital to become the sole owner of Poliom.

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The facility manufactures 218 kt of advanced products annually and offers a mix of some 100 polypropylene grades. It sources propane-propylene fraction, its key feedstock, from Gazprom Neft's Omsk Refinery, while SIBUR helps distribute its end-products in Russia and the CIS. The facility is certified for compliance with international standards and applies best R&D solutions and technologies to ensure waste-free production.



Poliom's production site. Photo courtesy of poliom-omsk.ru.

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According to Sergey Komyshan, Executive Director at SIBUR, the Company is committed to developing its polymer business to keep up with the growing demand for polymers in Russia and worldwide. "The demand is rising at a speed exceeding the growth rates of global economy. Following the build-up of our stake in Poliom, we will focus on its development in addition to product distribution. SIBUR has unique expertise to expand the facility's polymer range and meet the demand of various processors through streamlined solutions," Mr Komyshan said.

"Increasing the stake in Poliom is an important milestone in Gazprom Neft's long-term strategy focused, among other things, on developing the petrochemical production. By integrating oil refining and petrochemical assets into our business, we will be able to use the feedstock from our refineries more efficiently to make high value-added products, while also boosting our competitive edge both domestically and internationally through stronger technology ties with SIBUR," commented Levan Kadagidze, Head of Commercial Directorate at Gazprom Neft.

