

Premium Renewable to build RM124m plant

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PREMIUM Renewable Energy (Malaysia) Sdn Bhd will spend US\$40 million (RM124 million) to build a rapid thermal process (RTP) bio-oil plant near Lahad Datu, Sabah in 2011. Dubbed as first of its kind in Malaysia, the plant will use oil palm biomass as feedstock in partnership with one of the country's largest plantation companies. "Construction of the RTP bio-oil plant is scheduled to start within the second quarter of next year and be completed by 2012," Premium Renewable managing director Anand Selvaratnam said. He said once fully operational by 2015, the bio-oil plant project should help Premium Renewable generate a revenue of about US\$300 million (RM930 million). Selvaratnam said the project is part of the initiatives laid out under the National Key Economic Area (NKEA) of Malaysia's Economic Transformation Programme to commercialise second generation biofuels using oil palm biomass. The bio-oil initiative under the NKEA's palm oil lab is estimated to generate US\$1 billion (RM3.1 billion) in gross national income in 2020 and create 1,000 additional new jobs for the country within 10 years. "We aim to build and operate 15 bio-oil plants by 2015 for both green renewable power generation and transportation fuel applications in Malaysia," Selvaratnam said. Investment for the bio-oil plant project will be funded by both equities and bank borrowings with Premium Renewable holding a significant majority stake in the bio-oil venture. Selvaratnam told this to reporters after signing an engineering services agreement with US-based Envergent Technologies to undertake the engineering work to build the bio-oil plant. Also present were Premium Renewable chairman Datuk Razman Hashim and Ensyn executive vice-president and chief financial officer David Boulard. Envergent is a joint-venture company between Premium Renewable's partner, Ensyn Technologies Canada and UOP-Honeywell of US. It will deploy Ensyn's RTP technology globally as well as to develop the complementary technology to convert bio oil into transportation fuels. Selvaratnam said Premium Renewable will use Ensyn's technology to convert oil palm biomass to bio oil for green renewable power generation and renewable transformation fuels production such as green gas, diesel and jet fuel. "It is important that Malaysia secures its energy needs as we can no longer depend solely on fossil fuel in the future," he said. In the same time, Selvaratnam said Premium Renewable is in talks with several other plantation players to supply feedstock for its plants. "Most of the talks are in final stages and we expect to seal deals with them in the near future," he said.