



BUSINESS DEVELOPMENT BRANCH

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Media release

Forest Products Commission: new contract with Plantation Energy adds value to Albany plantation thinning

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The Forest Products Commission (FPC) has signed a \$12million contract to supply low grade plantation pine logs to Plantation Energy Ltd.

The low grade logs are a by-product of an existing FPC operation to thin and export logs from 3,500 hectares of radiata pine planted around Albany in the late '80s and early '90s.

Plantation Energy Executive Director Gavin Harper said the company is currently working on constructing Australia's first industrial scale timber fuel pellet plant, scheduled for completion early next year, at Albany's Mirambeena timber precinct. The finished fuel pellets will be exported for domestic and industrial heating.

FPC General Manager Dr Paul Biggs said the new contract would help increase profitability of the Albany radiata plantation operations for all parties: landowners, harvesting and transportation contractors, the FPC, and Plantation Energy.

"In any form of primary production it's always important to minimise wastage and extract the best possible value from the resource," Dr Biggs said. "Finding a way to add value to this low grade resource to manufacture and export a renewable energy fuel product is better for the environment and at the same time it will help the entire plantation industry become more profitable."

"This is an excellent example of the FPC partnering with industry to produce a win/win/win for the triple bottom line of environmental, economic and social sustainability."

Mr Harper said Plantation Energy had been developing the fuel pellet concept at Albany for several years before formally launching the company in 2006. "The new plant will bring total investment in excess of \$20million to the Albany region, with significant further investment planned in other regions."

"The new plant will create around 12-15 full time permanent jobs in Albany, with additional short term positions during the construction phase," Mr Harper said. "The operation will

also provide employment to local contractors supporting the plantation industry in the Great Southern region with the associated general economic benefits to local suppliers and service industries.”

Mr Harper said, “Use of fuel pellets sourced from sustainably managed plantations instead of fossil fuels will make a significant contribution to the global reduction of carbon emissions.”

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