

K2.5b Sepik biofuel project set to start

By MOHAMMAD BASHIR

COSMO Oil, Japan's third biggest oil company, will be venturing into bio and alternative fuel production in Papua New Guinea.

Following the conclusion of a memorandum of understanding between the State and Como Oil yesterday, a \$US800 million (K2.5 billion) project will get underway on the Sepik plains, which has been identified as a suitable location for the project.

Feasibility studies will begin straight away for six months and a full scale study will take three years in which pilot and nucleus estate projects will be undertaken to ascertain suitability, data, soil and other information.

Sources of fuel initially identified include kunai grass, corn, cassava, kaukau, sugar cane and other food crops as well as oil palm and plants to find out which plant will give the highest yield.

Cosmo Oil has been in PNG for the last three to four years and has been studying potential locations in Madang, Lae and other parts of the country before deciding on the Sepik plains.

The deal was initially signed in November 2008 but had to be delayed following the vacancy in the East Sepik Governor's post following the ousting of Peter Wararu Waranaka in a court of disputed returns and there was no one to sign as Governor. Prime Minister Sir Michael Somare and Mr Waranaka signed yesterday, sealing and giving the go-ahead for Cosmo Oil to proceed with the project.

Commerce and Trade Minister Gabriel Kapris, Correctional Services Minister Tony Aimo and Wosera Gawi MP Ronald Asik welcomed the project and thanked the Government for inviting Cosmo Oil to the province.

Mr Kapris said the decision to establish the project at Ijambi in Wosera Gawi was a commercial decision made by the company.

He said exemptions had been given as incentives to Cosmos but when fully established and operational, the people of PNG and Cosmos would own half of the project.

Mr Asik said the Wosera Gawi people had given 315 hectares of their land to Cosmos Oil to establish its operations.

He said another 761ha would be made available for the nucleus projects while 400ha had been allocated for the district headquarters.

Mr Kapris said landowners would be direct equity participants and Cosmo Oil had allocated K100,000 to get the incorporated land owner groups in place.

Mr Aimo appealed to "people with vested interests" not to jeopardise this landmark project by confusing the ordinary people of East Sepik Province.

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