

Stump to Pump Quarterly Progress Report, July to September 2013

Executive Summary

The Stump to Pump project contract was signed on 18th July 2013 by MPI, Norske Skog and Z Energy.

The initial PGP steering group meeting was held on 25th July 2013 followed by the project kick-off meeting the same day. This was held at Tasman Kawerau site project office and attended by 25 team members.

A press release by Ministers Joyce and Guy announcing MPI support for the project was released on 25th July 2013 and received a good level of media coverage with keen interest from industry as well as potential partners and suppliers.

Overall, the focus for this initial quarter has been project set up and mobilisation of the team.

A team of 36 full time and part time personnel is now working on the project, sufficient resources for the period through to January 2014. All necessary operational structures, systems and reporting are now in place and the project is tracking well against budget. The final intervention logic for the Stump to Pump programme has been agreed and published.

Key priorities for this stage of the project are reviewing the technology options, choice of engineering services partner(s) and confirming the availability of biomass resource.

Achievements to date include -

Good progress has been made in understanding the current relative status of key candidate technologies and working towards selecting the best technology that suits New Zealand's forestry resource, infrastructure and fuel requirements.

An Engineering Expression of Interest (EOI) was sent out to a number of pre-qualified New Zealand based local and multinational engineering services companies. The EOI covers a range of work packages from forestry, resource handling and processing, conversion and market.

An independent study was completed that reconfirmed availability of suitable biomass in the CNI to support this project. This was further reinforced by the recently published Scion report "Analysis of Wood Processing Opportunities in Kawerau using the WoodScape Model" which confirmed Kawerau as an ideal site for wood and biomass processing due to its location and logistical advantages.