MEDIA RELEASE

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Mackay Sugar closer to providing renewable energy to Mackay region

Mackay Sugar’s $120 million Cogeneration Project is fast taking shape, with preliminary site works already completed and civil works set to commence at Racecourse Mill next week.

Mackay Sugar CEO Quinton Hildebrand said the plant would produce enough clean renewable energy to provide one third of the Mackay region’s electricity requirements and reduce greenhouse gas emissions by about 200,000 tonnes (t) equivalent carbon dioxide (CO2e) each year.

“The Racecourse Cogeneration Plant will use bagasse (fibre waste left over from crushing cane) from Mackay Sugar’s three mills to generate 36 megawatts (MW) of renewable energy into the Mackay city electricity network.

“By storing bagasse, the plant will operate year-round and also supply energy to the Racecourse Refinery during the non-crush.

“The plant will also generate significantly more income from the same sugarcane crop, which will result in more value for our shareholders and strengthen the long-term viability of the region’s sugar industry.

“It is one of many diversification projects that will assist Mackay Sugar to realise its vision of being the innovative, world-class, diversified sugar cane business in Australia, delivering exceptional value to shareholders,” Mr Hildebrand said.

The plant, scheduled for commissioning by the end of 2012, includes the replacement of one of Racecourse Mill’s traditional boilers, designed to incinerate bagasse, with a more efficient high pressure boiler and a new steam turbine generator.

Preliminary site works were completed during May and included the commissioning of the new control system for Racecourse Mill’s Boiler No. 3 and the demolition of Boiler No. 1.

Concrete foundations for the new power plant will be laid next week, marking the commencement of the project’s civil works phase.

The site development and easement access for a new Ergon switchyard will also be completed in early June.

The project will provide more than 250 jobs during construction, with construction contracts being awarded to local Mackay companies.

In an effort to take advantage of the untapped potential from Mackay Sugar’s cane supply, Mackay Sugar has developed a 20-year Diversification Plan, which outlines the various projects based around the organisation’s existing infrastructure and renewable energy.

The commissioning of the Racecourse Cogeneration Plant will see Mackay Sugar establish the foundation for further diversification projects identified under the 20-year plan.

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For further information please contact:
Lorelei van Dalen - Communications Manager - Mackay Sugar Limited
Ph: 07 4953 8543 | Mob: 0408 037 096 | www.mkysugar.com.au