

## BP To Smash Biofuels Target One Year Early

**B**P Australia plans to surpass the federal government's 2010 national biofuels target at least one year ahead of the scheduled delivery date, delivering over 400 million litres of biofuels per annum by 2009, 50 million litres above the government's target.

BP Australia President, Gerry Hueston, said the corporation was the first serious player to market biofuels in Australia and is the first to ensure that it will be supplied on a large scale.

"This is a clear signal of our intention to make sure that biofuels play a role in Australia's fuel supply both now and in the future. It is a plan that is good for motorists and good for the future of the biofuels industry", Hueston said. BP's plans include three further initiatives:

- An agreement to double the capacity of a new ethanol plant to be constructed by Primary Energy in Kwinana, Western Australia. The plant's capacity will be increased from 80 million litres to 160 million litres per annum and construction is expected to commence in early 2007.
- Separate Memorandums Of Understanding to secure the supply of ethanol from one or more new plants with Primary Energy (Brisbane and Gunnedah) and CSR (Eastern Australia). The total level of supply sought is expected to be greater than the new output from the proposed Kwinana ethanol plant.
- The purchase from New South Wales grain processors Manildra of 3 million litres of ethanol over one year commencing in November 2006. Negotiations have also commenced to secure a further 12 million litres of ethanol from Manildra over the same period.



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Meanwhile, Australian Industry Minister, Ian Macfarlane, said BP's announcement heralded a new level of maturity for the Australian ethanol industry. "I congratulate BP on its leadership in the biofuels area and urge others in the highly competitive petroleum market to follow their lead", Macfarlane said.

"Australian drivers want choice and diversity of petroleum products. The growth of the domestic biofuels industry relies heavily on the confidence Australian motorists have in these fuels, which is why I have introduced E10 stickers for all locally made vehicles."

He said the federal government is investing heavily in the sector with more than \$36 million in capital grants and \$56 million in ethanol production grants. "On top of that, John Howard has announced grants of up to \$20,000 to service station operators to put in the infrastructure to handle and sell ethanol-blended petrol."

Production of transport ethanol in Australia has jumped by 75% in the last financial year, from almost 23 million litres in 2004-05 to more than 41 million litres in 2005-06. ■