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Oji Investigating Bio-Energy Hub at Kinleith Mill

Oji Fibre Solutions (OjiFS) says it is delighted to be working with the New Zealand Government on the options for the future of Kinleith Mill, near Tokoroa. The Company is investigating large-scale investment to modernise the mill's renewable energy infrastructure and has offered to expand the project to align with Government plans to transform the wood sector in New Zealand.

CEO Jon Ryder said "We are delighted to now have an agreement in place with Te Uru Rakau because it will allow us to work collaboratively to benefit both New Zealand and Oji".

According to Dr Ryder the Kinleith area is a strategic location for New Zealand, being a large brownfield site, close to the Country's largest exotic plantation forests, other wood processing facilities and near crucial transport networks. "We are aware the Government has goals to transform the sector and reduce emissions and if New Zealand wants to meaningfully develop a bio-economy based on wood, the Kinleith location, must be at the centre" he said.

The agreement with Te Uru Rakau provides joint funding for a feasibility study to assess a range of investment options at the Kinleith site. The options include a new wood-based energy facility with electricity cogeneration, a modern sawmill, green hydrogen, and biofuels production. Oji's initial investigations into the energy infrastructure indicate the scale of investment could be more than \$600 million. The project could produce over 16 million GJ of renewable process heat and electricity per year, while also providing a hub for other developments, potentially using the excess energy generated.

"Oji has talked to Government officials for several years about the project and we recently offered to expand the range of options to investigate" said Dr Ryder "The study is a fantastic opportunity for New Zealand to look at how it can increase value from the wood we grow by making a mix of products, like solid wood, packaging, wood-based chemicals and bio-energy; it is also an opportunity for Oji to fully understand our choices for the site".

The Kinleith Mill is one of the Country's energy intensive industries but already uses over 80% renewable energy in the form of wood-waste fuels and lignin – the substance extracted from wood in the pulp-making process. The mill produces cellulose products for tissue and paper, and containerboard for the Company's sustainable packaging production sites throughout New Zealand and in Australia.

Dr Ryder pointed to the advantages of New Zealand developing its relationship with a large Japanese business with global reach, capacity to invest at scale and access to advanced technologies. "Oji has a great track record in New Zealand, with over 40 years of investing here, including hundreds of millions of dollars in recent years; so I believe this is the right company to spark the transformation of the bio-economy in this country; the challenge for the Government is to find ways to attract the investment it wants and the study may help with this" he said.

The feasibility study is expected to be completed in early 2023.

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Caption: Dr Jon Ryder, CEO Oji Fibre Solution

Background Information

Who is Oji Fibre Solutions?

Oji Fibre Solutions is a pulp, paper and packaging company owned by Oji Holdings Corporation. Most of Oji Fibre Solutions' operations are based in New Zealand. It employs over 1840 people in New Zealand and Australia.

Market pulp and containerboard products are produced at two mills in the Central North Island of New Zealand and at a recycling mill in Auckland.

Ten packaging operations in New Zealand and Australia produce a range of wood-fibre based packaging solutions, principally for the horticulture, dairy, meat and beverage industries.

The business includes Fullcircle, New Zealand's only waste-paper recovery and recycling service transforming wastepaper into paper board and packaging products for use in the local packaging industry, and Lodestar, a logistics service incorporating end-to-end cargo management.

Market pulps and containerboard are exported to more than 30 international markets, while most of the packaging products are sold to domestic customers in Australia and New Zealand.

Oji Holdings Corporation, based in Japan, is one of the largest companies in the global forest, paper and packaging sector. Its operations in New Zealand now include Pan Pac, based in Hawkes Bay, Southland Plantation Forest Company of New Zealand and Oji Fibre Solutions.

For more information go to www.ojifs.com

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