



# Gitxsan Development Corporation

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**For Immediate Release**

## ***Momentum growing for Hazelton pellet plant project***

Hazelton, BC. A proposed wood pellet production plant in Hazelton continues to take steps forward. Project proponents have just returned from an international pellet conference in Japan where interest in the project is strong and the demand for pellets as replacement for coal in energy production is forecast to grow dramatically.

“Our project would manufacture 100,000 tonnes of pellets a year and create about 45 full-time, direct jobs and about the same number of indirect jobs in the region,” says Rick Connors of Gitxsan Forest Inc. (GFI), a partner in the proposed plant with Airex Energy. “It is about a \$50 million project, and we are moving forward with potential international customers and with financing partners.”

Connors says the Japanese biomass market is forecast to grow to as much as 33 million tonnes per year as the government is mandating a reduction in greenhouse gas emissions, and replacing coal or using it in combination with wood pellets in energy production is one way to do this. Pellets are typically sold on long-term (10-15 year) contracts.

“Our project will make ‘torrefied’ wood pellets,” says Connors. “It is a process similar to roasting coffee beans. The advantage of torrefied pellets over the white pellets we are more familiar with is that they can be used in coal-fired plants without expensive re-fits to the plant itself.

“Airex has a unique technology that we will be the first to use in North America of this scale.”

Fibre for the project would be provided through GFI and other area forest licensees including a few local sawmills who will provide waste sawmill residues that are traditionally difficult to dispose of and will now be used as feedstock for the new plant. Pellets will be shipped by rail to Prince Rupert then loaded on to bulk carriers for Asian markets.

“People in the northwest have heard plans for various pellet plant proposals over the last ten or so years,” says Connors. “None of these have been as well thought out or planned to the same degree that we now have. We have the fibre the project needs, the technology and product the market needs, and we are confident we will soon have funding in place that will allow us to break ground by the end of this year.”

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