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**NIBONG TEBAL:** Eonmetall Group Bhd will soon deliver the country's first solvent extraction plant to a major plantation player in Johor Baru that owns and operates over 11,000ha of oil palm plantations in the country.

The technology uses a combination of mechanical and chemical processes to extract oil from palm fibre, a palm fruit waste product that is generally burnt to generate steam or thrown away.

The oil extracted from the fibre can be processed as crude palm oil (CPO), while the de-oiled fibre can be used as a downstream material for wood-based industrial products.

Eonmetall has been developing the technology since the end of 2004.

It is learnt the group has already secured orders from major plantation companies in the country for two more solvent extraction plants, to be delivered next year.

Major palm oil companies are apparently attracted to the solvent extraction technology because it requires low investment and gives returns within a year.

Eonmetall ventured into the palm

# Eonmetall set to deliver first plant

## Johor plantation maiden user of solvent extraction plant

oil extraction business owing to the growing popularity of palm-related products, capitalising on its strength as a designer and fabricator of metals work machinery.

According to a recent MIMB report, as palm oil becomes expensive and as land for planting becomes increasingly difficult to acquire, plantation companies would increasingly seek to maximise oil extraction rates using solvent extraction technology.

The technology, which is pending patent registration, can increase the

national oil extraction rate by 0.6% annually if widely used.

According to a recent report from the Palm Oil Research Institute of Malaysia, the total volume of palm fibre in fresh fruit bunches is estimated at about 12 million tonnes a year, translating into an additional extraction of about 72,000 tonnes of CPO a year.

Given that the CPO price is currently at RM2,700 a tonne, this translates to an annual revenue of about RM200mil for the country's palm oil industry.



The solvent extraction technology could increase the national oil extraction rate by 0.6% annually if widely used. — Reuters