# Eonmetall sees RM3.5b revenue from PFOEs

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KUALA LUMPUR: Eonmetall Group Bhd may rake in RM3.5 billion in revenue from the building of 350 palm-pressed fibre oil extraction plants (PFOEs) for local and Indonesian oil palm plantation companies in the next few years.

Its executive director and chief operating officer Yeoh Cheng Chye said the target included 200 and 150 PFOEs for Malaysia and Indonesia, respectively.

He said each fully automated PFOE plant would have a contract value of between RM9 million and RM12 million with a mill capacity of 45,000 to 120,000 tonnes.

The plant's operating cost will be about RM650 to extract one tonne of palm oil from 25 tonnes of fibre. The construction of each turnkey plant takes nine months.

"We have an order of four to date which cost about RM48 million in total. Going forward, we expect the PFOE to contribute significantly to the group. We will look at the big industry players next year," he said after the handover of its first PFOE to Kim Loong Resources Bhd here yesterday.

Eonmetall also plans to build its own PFOE plants, which can be located near smaller plantations, and buy the palm-pressed fibre where it would be processed and sold. Yeoh said it was not-cost effective for smaller plants to own a PFOE plant.

The PFOE plant, the first of its kind in the world, was designed and fabricated by Eonmetall's wholly owned subsidiary Eonchem Technology Sdn Bhd. Currently, the palm-pressed fibre together with the residual oil is burnt as fuel for the mill operations.

With the PFOE technology, the residual oil contained in the palm-pressed fibre can be successfully extracted. It uses a food grade solvent known as 'hexane' to extract the remaining 5%-6% of residual crude palm oil (CPO) available in palm-pressed fibre, thereby enhancing oil extraction rate (OER) by 0.6%.

The company said the local industry could boost revenue by as much as RM1.4 billion annually using the new technology. Eonmetall, which has submitted the technology for patent registration, plans to take its invention to Indonesia, the second largest palm oil producer in the world after Malaysia, by end of next year or early 2009.

Kim Loong Resources Bhd's managing director Gooi Seong Heng said with the PFOE plant, its OER was expected to improve by 0.5%-0.6% next year.

Apart from the PFOE plant in Kota Tinggi, Kim Loong now also has another conventional mill in Kota TInggi and the other in Keningau, Sabah. Its existing average production cost is between RM800 to RM900 per tonne.

The company would be building its third plant costing RM35 million in Telupid, Sabah with a capacity rate of 30 to 45 tonnes and its first phase is expected to start production by the middle of next year.

Gooi said the company was on a lookout for land in Sarawak. "We hope to be able to double our land size in the next three years," he said, adding that Kim Loong had 12,800ha of fully planted land at present of which 800ha has young plants.

On its sale of carbon credit, Gooi said that it would fetch the company RM2 million annually.