

Idle methanol plant to be restarted

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Methanex New Zealand is to spend \$70 million restarting one of its methanol units at Motunui in Taranaki.

The company said today it had secured additional natural gas feedstock and intended to restart one of its 900,000 tonne per year units until at least the end of 2009.

The Motunui plant, which had been idle since 2004, was due to restart in August and would need a capital investment of about \$70m, Methanex said.

The company would continue to operate its 500,000 tonne plant in Waitara Valley, Taranaki, until the larger plant restarted.

Methanex NZ managing director Harvey Weake said the company was pleased to have been able to secure additional natural gas to restart one of its larger plants in this country.

"The high energy price environment has led to continuing strong demand for methanol and upward pressure on methanol prices and the industry cost structure, which has allowed our assets in New Zealand to be competitive," he said.

"With the re-opening of our Motunui plant, we will have 1.4 million tonnes of flexible capacity, which we will be able to utilise in the future dependent on market conditions and our ability to secure additional economically priced natural gas."

Methanex New Zealand is owned by publicly traded Vancouver-based Methanex Corporation.

- NZPA

This story was found at: