

11th January 2003 Island

BMC to fund Hambantota Coal Power Project - Govt.

The government says that the development of a 900 MW coal fired power station on a BOOI/BOT basis in Hambantota would generate 10,000 jobs during construction and a further 2,500 job opportunities after commissioning the power station.

"Since the project will be entirely funded by the Barclay Mowlem Consortium (BMC), there would not be any requirement for the government to resort to international borrowing", a government spokesman said.

Under the Government's programme of setting-up a Coal Fired Power Station to supply electricity uninterruptedly without depending on Hydro Generation which is dependent on rainfall, the Barclay Mowlem Consortium (BMC) was invited on "Expression of Interest" as far back as in 1992.

Due to escalation in terrorist activities in Trincomalee where the Power Station was to be developed in the year 1996, the GOSL was compelled to suspend the construction of the power station in Trincomalee. As there were no alternate sites earmarked at that time, the BMC proposal was kept in abeyance until year 2001.

As the BMC identified suitable sites within the Hambantota District, the Ministry of Southern Region Development invited the BMC in May 2002 to make their presentation to develop the Power Station at the selected sites and as a result the Energy Supply Committee appointed through an act of Parliament invited the BMC on Wednesday for discussions on this proposed development.

The BMC consists of Barclay Mowlem Construction Ltd of Australia, Sumitomo Corporation of Japan & Pacific Power International of Australia.

The BMC has developed many Coal Power Stations in Australia, Papua New Guinea, Indonesia, Vietnam and other Asian countries. Listed below are selections of recently con-

structed Coal Power Stations.

— CALLIDE "C" Power Station.

— The Bayswater Power Station in New South Wales

— Raichur Power Station in India

— Tang Jong Jati Power Station in Indonesia

— Mt. Piper Power station in Australia

— Tarong Power Station in Queensland

— Paiton Power Project in Indonesia

— Pha Lai Power Station in Vietnam

The main features of the proposed power station within the Hambantota District are:

- BMC able to construct Coal Power Station within 36 months to deliver the initial 300 MW under stage 1.

- Project is delivered as an Independent Power Project (IPP) on a BOO/BOT basis.

- Deliver addition capacities of 600MW of electricity under stage 2 & 3 by the years 2008 & 2010 within the preferred interval of 2 years or less.

- Low LEVELISED Tariff of US Cents 4.00 over 30 years.

- Cheapest tariff for thermally generated electricity.

- Proposed power plant based on State of the Art Coal Technology.

- Power plant operates on low-sulphur washed Australian Export Quality Coal.

- Provides direct & indirect employment to South of Sri Lanka

The project will be entirely funded by the BMC. As funds will be provided by private investors there would NOT BE ANY REQUIREMENT for the GOSL to borrow any International Funding.

This Project would generate employment for over 10,000 persons during the time of construction and a further 2500 job opportunities after commissioning the power station.

The BMC would set-up a Technical Training Institute for skills development for the youth of the South but would also pro-

vide facilities such as Medical Centers and Recreational and Sports Facilities for the Southern Province.