



Government of St. Kitts & Nevis
Cabinet Secretariat, Government Headquarters
Church Street, Basseterre
St. Kitts & Nevis

POST-CABINET STATEMENT

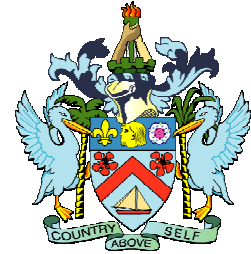
Citizens and residents of St. Kitts and Nevis, good evening. This is the post-Cabinet briefing for Cabinet meeting held today Wednesday May 14, 2008.

COMMERCIAL LAND DISTRIBUTION

Cabinet sought an update from the Ministry of Sustainable Development and the Ministry of Industry and Commerce on the status of the distribution of land to local entrepreneurs for the expansion of existing businesses and the accommodation of new small businesses. In particular, cabinet discussed lands that were available at the Conaree Industrial Park and took note of the fact that the available lots there had been oversubscribed. Government has been heartened by the overwhelming interest in entrepreneurial activity by our locals, and takes note of the contribution, which local entrepreneurs continue to make to the overall development of the economy. The Ministry of Sustainable Development and the Ministry of Industry and Commerce have been mandated to move swiftly to have the lots of land distributed in an equitable manner to applicants.

RENEWABLE ENERGY DEVELOPMENT

At today's Cabinet meeting, two major renewable energy proposals were discussed. During these discussions, attention was given to the high and rising cost of oil on the world market and the consequential rise in the cost of fuel at the pump and the cost of electricity generation in the Federation. Minister of state in the Ministry of Sustainable Development, assisted by our Renewable Energy Consultant, Dr Albert Binger, explained how the two projects, if approved, could significantly reduce the cost of electricity for domestic and commercial consumers, while at the same time, advance our



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agenda to protect the environment. Both projects have been approved in principle.

One of these proposals spoke to the implementation of a 10 Megawatt wind farm that will provide the equivalent of 25% of our minimum electricity needs. Cabinet has granted permission for several locations to be used for full scale wind testing to begin so that specific wind sites can be scientifically located.

The other renewable energy proposal is a biomass energy project that will use wild cane as a feedstock to produce both electricity and bio-fuel. Under this project, a new electricity generation facility will be built to produce electricity from the wild cane but the facility will also use domestic and municipal waste as a feedstock. It is estimated that this electricity facility will use at least 60% of the waste (including paper, plastic, rubber, tyres, vegetative material, and linen/cloth material) that usually ends up at the landfill at Conaree. This project will therefore significantly reduce the amount of waste put into the landfill, will extend the life of the landfill, will positively impact the environment, and reduce the cost of operating the landfill.

Another important component of the biomass project is that over 400,000 barrels of bio-oil will be produced for local use and for export to special markets in the U.S, generating about US\$30M in foreign exchange annually.

Both projects combined will create 250 jobs ranging from equipment operators, drivers and technicians to agriculturalists, accountants and managers. Very importantly as well, the implementation of these two projects will significantly reduce our dependency on fossil fuel which has become extremely expensive in recent times..



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Government believes that the success of the geothermal project on Nevis should greatly enhance the prospects by further reducing the need to import oil to generate electricity. It is for this reason that Cabinet has asked that the Energy Committee and the Legal Department thorough review a draft power purchase agreement (PPA) between the government and geothermal company in Nevis.

END

This brings to the end the post-Cabinet briefing for Cabinet meeting held today Wednesday May 14, 2008. Thank you!