

Funding Difficulties stall plant to produce Energy, Paper & Pulp in Scotland.



Scottish-Scandinavian developer Forscot Limited said it has ditched plans for a £1 billion (\$1.57 billion USD) biomass plant in Scotland because it hasn't been able to secure funding.

Construction was scheduled to begin this year on the 200-acre site in Invergordon that was planned to produce energy, paper and pulp.

But the company had already shelved plans for the accompanying plant producing 420,000 metric tons of paper annually because of financial difficulties. That plant was expected to run off energy from the biomass venture, with the excess energy sold to the grid.

Forscot is now expected to dissolve. The company was formed four years ago to develop and operate the forestry site incorporating a saw mill, and pulp and paper complex.

"Despite the best efforts of the directors, we have been unable to secure funds for the second stage of the development," Ed Gillespie, chairman of Forscot, said in a release. "As we are unlikely to find any new funding in the foreseeable future, we have regrettably decided not to pursue the project further."



Analysts said the plant would have created 1,200 construction and 500 permanent jobs. But government leaders there say the loss is somewhat offset by plans for a £24 million biomass plant to open next year on the former aluminum smelter site by Northern Ireland-based wood pellet manufacturer Balcas.