

Environmental Study Ready for Nicaragua Pipeline

MINAGUA, NICARAGUA -- An environmental study to determine the feasibility of constructing a petroleum pipeline across Nicaragua should begin in about 45 days, according to the president of a Florida-based company that plans to build the 292-mile structure.

Rick Wojcik said Phenix Pipeline U.S.A., a division of The Phenix Group, is ready to initiate the field analysis phase of the environmental impact study as required by Nicaragua's Department of Environment and Natural Resources.

Mr. Wojcik said his company has entered into an agreement to share the expected \$2 million in costs for the study with System Intermodal of Global Transportation, a company that plans to build a railroad across the Central American nation. The companies plan to use virtually the same route for their projects.

Earlier this year, The Phenix Group, operating as Oleoductos Premier de Nicaragua, received a license to construct the estimated \$600 million pipeline from Monkey Point in the Caribbean Sea to Port Corinto in the North Pacific Ocean, contingent upon the environmental study's outcome.

"We are confident," Mr. Wojcik said, "that the study will show positive results and that we can provide an environmentally safe passage for petroleum products across Nicaragua beginning around October of 2004." He said construction is expected to begin about October 2003 after final engineering documents are completed for construction bids.

Headquartered in Palm Harbor, Fla., the company received the Nicaraguan Institute of Energy's provisional license earlier this year to build the pipeline.

Fernando Ocampo, director of Hydrocarbons of the Nicaraguan Institute of Energy, said the environmental study and approval process could take about six months. Ocampo offered his assessment in Times of the World (Tiempos Del Mundo) magazine.

Gerald Leroux, vice president of construction for Phenix, said there have been two meetings with citizens of Monkey Point to hear their views about the

pipeline project. He said those meetings were "very fruitful" and key to the Nicaraguan government providing the license.

Mr. Wojcik said the construction project is expected to have a major impact on the country's economy and citizens.

"We are ready to move forward with this project and believe it will be a boon to the economic stability of Nicaragua for years to come," Mr. Wojcik said. "We are working very closely with the people and with the government of Nicaragua to accomplish this project."

Mr. Wojcik, who was executive vice president of engineering for Premier Pipelines of Ontario, Canada, before starting The Phenix Group, said he and other company officials met with Nicaragua President Enrique Balanos Geyer prior to the license being issued. He said President Balanos was very insistent that all details of the project be outlined completely in the licensing agreement.

"This has been done," Mr. Wojcik said, noting that the detail includes the route the pipeline will run. For instance, it will be bored under main roads, rivers and streams to prevent disruption to traffic and costly waterway diversions. The pipeline will consist of two steel pipes, operating independently and separated by a distance of 40 feet with diameters of 24 inches or 30 inches, Mr. Wojcik said.

Once completed, with offshore terminals and pumping stations for loading and unloading petroleum products, up to 288,000 barrels of product can be handled per day per pipe.

Mr. Wojcik, who has 27 years of experience in the gas and oil industry, said the significance of the project is that the Panama Canal cannot accommodate the large freighters and super tankers of today's shipping industry.

"All who are involved in international commerce will recognize the benefits in this rapid method of transporting petroleum products from the Atlantic to the Pacific," Mr. Wojcik said. "It will be an enormous savings of time from today's transporting methods."

"We are excited about the prospects of the Nicaragua project having a global economic effect on the petroleum industry," Mr. Wojcik said.