

The Sydney Morning Herald

Coal-based energy firm MetroCoal to list

November 5, 2009 - 1:29PM

Coal-based energy group MetroCoal Ltd plans to raise between \$8.4 million and \$10 million from the sale of new shares, ahead of its listing next month on the Australian Securities Exchange.

The miner, which is headquartered in Brisbane and has projects in the Surat Basin and the state's south east, on Thursday launched a prospectus for its initial public offer of shares.

It is offering 33.6 million to 40 million shares at 25 cents a piece, to raise the funds that will be used to explore its coal projects and for working capital.

"The emergence of MetroCoal is well timed in light of the current global demand for energy," chairman David Barwick said in the prospectus.

MetroCoal holds coal exploration tenements covering approximately 4,000 kilometre in the Surat Basin.

The tenements are near well known resources including Wandoan, Elimatta, Cameby Downs and Worri.

MetroCoal, which is also focussed on underground coal gasification (UCG), said it had identified thermal coal exploration targets totalling between 2.5 and 3.5 billion tonnes and expected to confirm these targets within the next two years.

"MetroCoal's tenements are prospective for large scale, efficient underground mining and there may also be pockets of shallow open cast mineable coal," Mr Barwick said.

"This coal would be exported through the port of Gladstone, helping to fill this growing energy demand."

Mr Barwick also said the UCG market was poised to grow significantly and the company would be part of that growth.

"Starting with a 100 per cent owned and ideally located coal exploration and development portfolio, and an experienced team, the company is well placed to add considerable value to its coal assets and corresponding growth for its shareholders," he added.

Upon listing, which is expected on December 4, the company will have a market value of between \$33.8 million and \$35.4 million.

The offer opens on November 6 and closes on November 19.

The underwriter and lead manager of the issue is Patersons Securities.

