



Drilling program under way

EXPLORATION company MetroCoal has begun a 5000 metre drilling program in the Surat Basin.

MetroCoal CEO Mike O'Brien said the company's strategic direction was focused on establishing a resource base that could support both a thermal coal export business and underground coal gasification (UCG).

The thermal coal would be obtained from both underground and open cut coal mining while UCG was used to generate coal gas that could be converted to liquid fuels and other chemicals.

He said this dual strategy was designed to maximise the

potential of the coal resources.

"Our initial 15-hole drilling program is planned for completion in the very near future and we expect this will confirm the existence of coal seam intersections," Mr O'Brien said.

"UCG has considerable benefits as it allows us to exploit valuable resources that would otherwise be stranded.

"It has a very small surface footprint creating minimal environmental disturbance and together with carbon capture and storage, produces less carbon dioxide than conventional fuels."

"Energy reserves are at a

premium today and we need to take advantage of new technologies to access reserves without causing harm to the environment."

MetroCoal holds seven exploration tenements covering around 4000 square kilometres of thermal coal bearing strata in the Surat Basin.

This includes property near Miles and west of Dalby.

MetroCoal's drilling began on September 11 and is expected to be completed in two weeks.

The company is an 84 per cent subsidiary of the Queensland resources company Metallica Minerals Limited.



LEFT: LPG (for the steam boiler) and water storage (for steam injection) at Carbon Energy's Bloodwood Creek site, 5km from Kogan.



ABOVE: The Surat Basin is home to billions of tonnes of untapped coal. Energy companies have staked their claims throughout the region.

“We’re actually targeting coal that would be too deep for conventional mining, so it is coal that would otherwise be stranded.”

—Andrew Dash