



COAL GAS-TO-LIQUIDS DRILLING UNDERWAY

The company's ceo, Mike O'Brien, said the drilling programme within the 60 sq. km ***METROCoal has commenced its coal gas-to-liquids drilling programme in its exclusively held tenement in the Surat Basin in Queensland.***

tenement area near Wandoan has an exploration target of between 125 million tonnes (Mt) and 155 Mt the in initial area of drilling. This target could be capable of supporting a coal gas-to-liquids (GTL) plant producing 20,000 barrels of liquid fuels per day for more than 20 years and is expected to increase as the drilling programme expands.

"The Queensland Government's UCG policy has provided MetroCoal with the confidence that this tenement area will be able to be explored exclusively for coal for UCG development," Mr O'Brien said.

"We are therefore aggressively targeting this high priority area as the backbone of our UCG strategy," he said.

"Australia is expected to require 600,000 barrels of oil per day by 2014-15. Queensland will have the opportunity to meet this domestic demand right in its own backyard and it will be produced from otherwise stranded coal.

"These fuels will be of immense strategic importance to Australia, reducing our reliance on imported fuels and saving many billions of dollars in foreign exchange and it should be considered a must for Governments to develop a coal based clean fuel industry to meet domestic demands.

"UCG has considerable benefits as it allows us to exploit the extensive coal seams that would otherwise be stranded. It has a very small surface footprint creating minimal environmental disturbance, and if coupled together with carbon capture and storage, produces less CO₂ than conventional fuels."

MetroCoal is an 84 per cent subsidiary of the Queensland resources company Metallica Minerals Limited (MLM). ■



Drilling is underway near Wandoan