



# Coal miner targets UCG project

Sixty kilometres south-west from Wandoan a coal miner is branching out into an industry it feels contains answers to Australia's growing appetite for fuels.

MetroCoal, an 84 per cent owned subsidiary of Metallica Minerals, has announced an initial resource at its Juandah site large enough to support a major underground coal gasification project.

Chief executive Mike O'Brien said the 171 million tonne resource could see MetroCoal one day producing 20,000 barrels of high quality, cleaner liquid fuel a day.

He said trials and the commissioning of a demonstration plant should be completed within three years.

"We've still got a lot of work to do to establish the final shape of a UCG interest and at this stage we're exploring a

number of options," Mr O'Brien said.

"But the size of the resource is such that it could support a significant installation producing in the order of 20,000 barrels a day."

Unlike other UCG companies working in the Surat Basin, MetroCoal's project is not burdened by overlapping coal seam gas tenements, a considerable advantage according to Mr O'Brien.

With the State Government policy that resolved conflict between CSG and UCG companies earlier this year, MetroCoal was been granted exclusive tenure at Juandah.

"That means that there is no other competition for the resource in the area and we essentially have sole access to it," Mr O'Brien said.

Mr O'Brien said Australia's growing reliance on imported

fuels made UCG a commercially viable option but the challenge would come in developing the technology.

"The individual components of UCG and syngas processing are reasonably well understood," Mr O'Brien said.

"What remains is the significant challenge of joining all the aspects together into a single commercial application.

"But we have no doubt the demand is there and that Queensland and Australia will be looking for alternative sources of liquid fuels for years to come."

Along with its UCG project at Juandah, MetroCoal has an extensive network of coal tenements across the Surat Basin it plans to mine, potentially before its commercial UCG plant opens.

"At the moment, we're essentially an explorer," Mr

O'Brien said.

"But we'll be building up to becoming a producer.

"UCG I suspect is longer term - a project for further in the future."

With its coal mining aspirations hinging on the realisation of the Surat Basin railway, Mr O'Brien called on all tiers of government to assist in the development of the key project.

"I think this is one of the very important infrastructure projects that have slipped through the net," he said.

"We think both the state and federal governments need to make a firm commitment to infrastructure by getting involved in that."

Mr O'Brien said exploration would continue at Juandah while MetroCoal finalises its technological options, possibly with joint venture partners.