



ANOTHER PLAYER: MetroCoal adds to growing list of Surat Basin coal mining companies

MetroCoal commences Surat Basin program

The exploration program, funded by the recent seed capital raising has been commenced by MetroCoal Limited in Queensland's Surat Basin, ahead of the planned public float of the company late this year or early next year.

MetroCoal — the 84 per cent subsidiary of listed Queensland resources group, Metallica Minerals Limited — announced the commencement of the 5000-metre drilling program this month over at least three key targets within its 100%-owned Surat Basin acreage.

The initial 15-hole drilling program, likely to be completed within four weeks, is expected to confirm historic coal seam intersections and the continuity of the Wandoan coal seams within each of the large exploration target areas. This will provide a base for future exploration planning, resource delineation and development studies.

The drilling program announced today is part of MetroCoal's growth strategy to establish significant Surat Basin coal deposits suitable for both:

- Extraction by conventional underground and open pit coal mining to generate thermal coal exports, and;
- Underground coal gasification (UCG) for the purpose of generating coal gas (syn-gas) as feedstock principally for liquid fuels.

MetroCoal holds seven exploration tenements covering some 4000 square kilometres of thermal coal bearing strata within the basin.

The primary target is the highly prospective Macalister seam in the Juandah Coal

Measures of the Walloon sub-group

These coal measures are known to host the one billion tonne-plus Wandoan deposit located adjacent MetroCoal

EPC 1164.

Other priority areas being tested are the down dip extensions of the Cameby Downs deposit near Miles in MetroCoal's EPC 1165, and the down dip extensions of Wilkie Creek deposit west of Dalby in MetroCoal's

EPC 1166.

Historic drilling together with earlier seismic programs has confirmed the down dip extension of the Juandah coal measures into MetroCoal's tenements.

Many holes drilled during these historic programs were, however, stopped at depths around 80-100m, above coal seams or without intersecting all the seams.

This has created a number of apparent gaps in the data base and several holes in the new campaign will be drilled in the most prospective areas to infill these data gaps.



MetroCoal has commenced exploration across the Surat Basin.