

Juandah Project

Overview

The Juandah Project, 23km south-west of Wandoan, covers an area of some 60km² within the Wandoan tenement held by MetroCoal.

The area has been identified by MetroCoal as containing substantial underground coal suitable for UCG.

Following completion of a 16-hole drilling program, the company reported a maiden JORC resource of 172Mt, comfortably exceeding the 100Mt target required to support a major UCG project producing 20,000 barrels per day of high quality, cleaner liquid fuels.

Location	Status	Capital Exp \$
23km SW of Wandoan	EIS in preparation	\$10m



Coal Mining Strategy

- Large tonnage targets with underground mining potential identified
- Modest opencast coal deposits are also expected
- Underground mining at shallower depths - Initial drilling shows that Macalister Upper seam is continuous with thickness varying between 2.5m and 4.5m at depths from 120m to 400m
- Coal industry is trialing innovative mining techniques
- Identify joint venture partners to explore for and develop economic mining opportunities

Background

MetroCoal Limited is an Australian coal company focusing on coal projects in the Surat Basin and surrounding locations in south-east Queensland.

The company holds an extensive portfolio of tenements in the Surat Basin.

The Juandah Project area was the focus of the company's second drilling program and established an initial JORC Code compliant resource of 172 million tonnes. Geological information gathered in MetroCoal's drilling programs, together with historic public domain data, has given the company a sound understanding of the geological environment and relevant seam structure in its tenements.

Strategic Vision

Based on the geological information its own drilling results the company expects to identify a coal resource of at least 2.5 billion tonnes with a JORC Code classification of "inferred" or better, within the next two years.

The resource is expected to include over 250 million tonnes within the Juandah Project area that will be available for underground coal gasification (UCG) and subsequent coal-to-liquids and/or syngas fired power generation.

World demand for energy both as thermal coal and liquid fuels is growing as is expected to continue to grow into the foreseeable future. The coal in the Surat Basin will underpin MetroCoal's core strategy to support:

- An export thermal coal capacity from conventional underground and open cut mining operations; and
- A world class base for UCG operations producing syngas that can be converted to clean fuels, fertilisers or used to generate cleaner electric power.

UCG Strategy

- MetroCoal will define and delineate Underground Coal Gasification (UCG) resources to at least a 100Mt reserve to support a UCG – GTL operation producing the equivalent of 20,000 barrels of high grade, clean liquid fuels.
- Assessment of GTL and CTL technology providers and possible technology partners.
- Identify appropriate synfuels process technology and production opportunities
- Develop small scale power generation with potential to move to a 400MW plant.