

New Zealand coal production exceeds 5 million tonnes for the third consecutive year

25 July 2006 - New Zealand coal production reached a record level during 2005, with 5.267 million tonnes being won from 28 mines.

Statistics recently compiled by Crown Minerals have revealed that 2005 was a record year for New Zealand coal production. National coal production reached 5.267 million tonnes, 111,000 tonnes more than during 2004 and over 87,000 tonnes more than during 2003, when the existing record was set.

Large production increases were registered in several mines, most notably in Solid Energy's Stockton and Rotowaro opencast operations.

The value of coal mined in New Zealand during 2005 surged to 23.2%, reaching a record \$507.9 million. This exceeded the 2004 figure of \$412.2 million by \$95.7 million and illustrates the strong market value of New Zealand coals, both domestically and abroad.

The production of high-value bituminous coal also reached record levels with 2.543 million tonnes won during 2005. This record production figure, coupled with strong increases in the value of bituminous coal exports, were the most significant factors contributing to the overall increase in value of coal produced in New Zealand during 2005. Record levels (2.331 million tonnes) of high quality West Coast bituminous coal were exported from the South Island.

However, coal imports also reached record levels with 1,084,266 tonnes of foreign sub-bituminous coal being imported during 2005, primarily for feedstock at the Huntly power station. This increase in coal imports occurred despite near record domestic production of sub-bituminous rank coal (2.447 million tonnes – the record of 2.576 million tonnes was set during 2003) and continued strong output from mines in the Waikato (2.119 million tonnes)

A total of 28 mines contributed to the record production tonnage, 5 underground and 23 opencast. The combined area of the 28 coal mining licences and permits that registered production during 2005 was approximately 122.1 sq km. From the 28 active mines an average of 43,130 tonnes was won per sq km of area under coal mining licence permit. In dollar terms an average of \$4.158 million worth of coal was mined per sq-km of producing mining permit and licence area.

This figure does not take into account the areas within coal mining licences and permits that are not used for mining purposes and therefore understates the productivity of New Zealand coal mines in terms of production per unit area. However, this figure does serve to illustrate the comparatively small 'foot print' of working coal mines in the country (approximately 0.00045% of the country's land mass) and the exceptionally high dollar yield to land used ratio.

Crown Minerals will soon release statistics concerning industrial minerals production, gold, silver and ironsands production as well as exploration and prospecting permit expenditure for 2005. These statistics will further serve to illustrate the strong state of the extractive industries in general and their underlying contribution towards economic growth and regional development in New Zealand.