

## Solid Energy to investigate briquetting of lignite at Maitara

25 September 2009 - Solid Energy is investigating building a lignite briquetting plant at Maitara as the next step in developing its large-scale lignite resources in eastern Southland.

The company has entered a joint venture with an Australian-based company GTL Energy to look at the feasibility of a plant to upgrade approximately 100,000 tonnes of lignite a year mined from its New Vale opencast mine 10 km west of Maitara.

The GTL Energy technology upgrades low-rank coal by removing significant amounts of moisture, prior to combustion, which raises the thermal value and reduces emissions from the upgraded product.

Over the next few months Solid Energy and GTL Energy will complete technical and economic feasibility studies, undertake final engineering design and seek resource consents.

A decision to proceed with construction of the plant is expected to be made early in 2010 and will be based on demand from South Island industrial and commercial customers. The lignite briquettes could also be used for home heating.

The plant would create about 10 jobs and could be operational in late 2010.

GTL Energy was formed in Adelaide but now operates mainly out of Colorado, in the US, where it maintains its research and development facilities.

Solid Energy said it had previously advised it would withdraw from supplying coal to the household market by the beginning of 2013, in line with the National Environmental Standards for air quality, which recognise that burning solid fuel in open fires and older domestic burners causes significant air quality and health issues in many of our towns and cities.

The Government has recently announced that it will review the timing for the implementation of the standards.

Sources: Solid Energy and Lindsay Clark