

Thar coal project okayed by UK firm Oracle Coalfields

Feasibility report underlines project's "technical and economic viability"

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UK-based Oracle Coalfields has said that the results of its feasibility study on the Thar Coalfields has underlined its "technical and economic viability".

According to the report, the required total capital expenditure for open-cast development is estimated at \$610 million, which includes \$224 million for mining equipment. This initial investment will allow the company to produce five million tons of lignite coal per year.

However, starting in 2013, initial plans limit mining to around a million tons a year - the coal from which will be sold to Lucky Cement for



SPECIFIC: Every wet ton of coal will cost \$42.21 according to the feasibility study. PHOTO: FILE

use in heating in its kilns. Every wet ton of coal will cost \$42.21, and the mine will have an operating life of 23 years.

According to the feasibility study, there are reserves of 529 million wet tons of coal in the mining area, estimated

by the guidelines in the Joint Ore Reserves Committee Code. Every wet kilogramme has a gross calorific value of 3,182 kilo calories, with ash content at 5.89 per cent and sulphur at 0.91 per cent. By these specifications, the coal has been qualified as suitable

for power generation.

"This is another important step for Oracle as we look to provide a sustainable source of energy to Pakistan and bring its first large scale open-pit coal mine into production. The feasibility study indicates technical and economic viability of the mining project. We are undertaking further work to refine overall project economics, specifically in respect of off-take agreements with respect to power plant and mining contractor opportunities, prior to making any definitive announcements," said chief executive of Oracle Coalfields Shahrukh Khan.

The company is currently working on a bankable feasibility study as it seeks funding required for project. Citigroup Global Markets has been brought on board to find a "comprehensive funding solution" for the project. PPI