

Cougar Pounces On Queensland's UCG Potential

Cougar Energy started work on an extensive new drilling program in late October at its Kingaroy Underground Coal Gasification (UCG) project in Queensland.

Cougar has contracted Mitchell Drilling for the 13 hole program, and has farmed in Metallica Minerals Ltd. to support the project.

Len Walker, Cougar Managing Director said, "We expect it to be completed in three to four months, when a decision will be made on ignition of the coal seam, and the commencement of the staged development of

gas production and power generation. Parallel with this drilling program, engineering design work on the surface facility will continue, as will negotiations for funding of the project. Both of these tasks are well advanced, and their status early next year will impact on the choice of ignition date."

Cougar said it has already outlined more than sufficient coal to support a UCG project incorporating a 200 MW power station near Kingaroy.

Walker said the drilling program also involved a number of further tasks such as open holes

to confirm extensions to the coal deposit, cored holes to support compliant coal resource estimates and sample recovery, a pump well test to determine permeability of the coal seam and surrounding rocks, installation of monitoring wells for water quality sampling, and installation of the first three injection and production wells.

A drilling program earlier this year established that an area of at least 2.5 km² existed within Cougar Energy's UCG designated area in EPC882 containing a coal seam with a minimum 11.8 m thickness at a depth of at least 157 m, and with a known extension to the west and open-ended to the north. ■