



MEDIA RELEASE

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COAL INDUSTRY FUNDS REVAMPED ZEROGEN QUEENSLAND CLEAN COAL PROJECT

The Australian Coal Association today welcomed the announcement by Queensland Premier, The Hon. Anna Bligh, of her Government's support for the two stage ZeroGen project to establish one of the world's first large-scale low carbon emission power plants.

ACA Executive Director, Mr. Ralph Hillman, said today that up to \$26 million dollars will be provided by the black coal industry through the COAL21 Fund to cover extra costs for a feasibility study for stage one of the project.

ZeroGen will use integrated gasification combined cycle (IGCC) technology and carbon capture and storage, first in a pilot power plant scheduled for completion by 2012 and then in a large scale demonstration plant, to be completed by 2017.

"IGCC technology is a key element in the coal industry's strategy of demonstrating technologies to reduce CO₂ emissions that arise from the use of coal in power generation in Australia and around the world," Mr. Hillman said.

The gasification technology used in ZeroGen will produce a stream of hydrogen that can be applied both to power generation and other industrial processes.

"The deployment of low emission coal technology is widely regarded as an essential part of a global solution to climate change," Mr. Hillman added.

Coal industry funding for the project comes from a \$300 million commitment from the \$1 billion COAL21 Fund, for an IGCC project in Queensland.

The COAL21 Fund was established in 2006 by the Australian black coal industry via a levy on production.

As well as the ZeroGen project the COAL21 Fund is committed to funding the demonstration of other low emission coal technologies with a view to their deployment on a commercial scale in Australia by 2017.

It has allocated \$67.9 million to the CS Energy Callide A Oxy-fuel project in Queensland and \$20 million towards a post combustion capture and storage project in New South Wales.

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