Oaky Creek Coal Surface to inseam Presentation

Mackay 25th October 2002

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Introduction

- Reason for Surface to inseam Project
- Outcomes
- Operational issues
- Future opportunities

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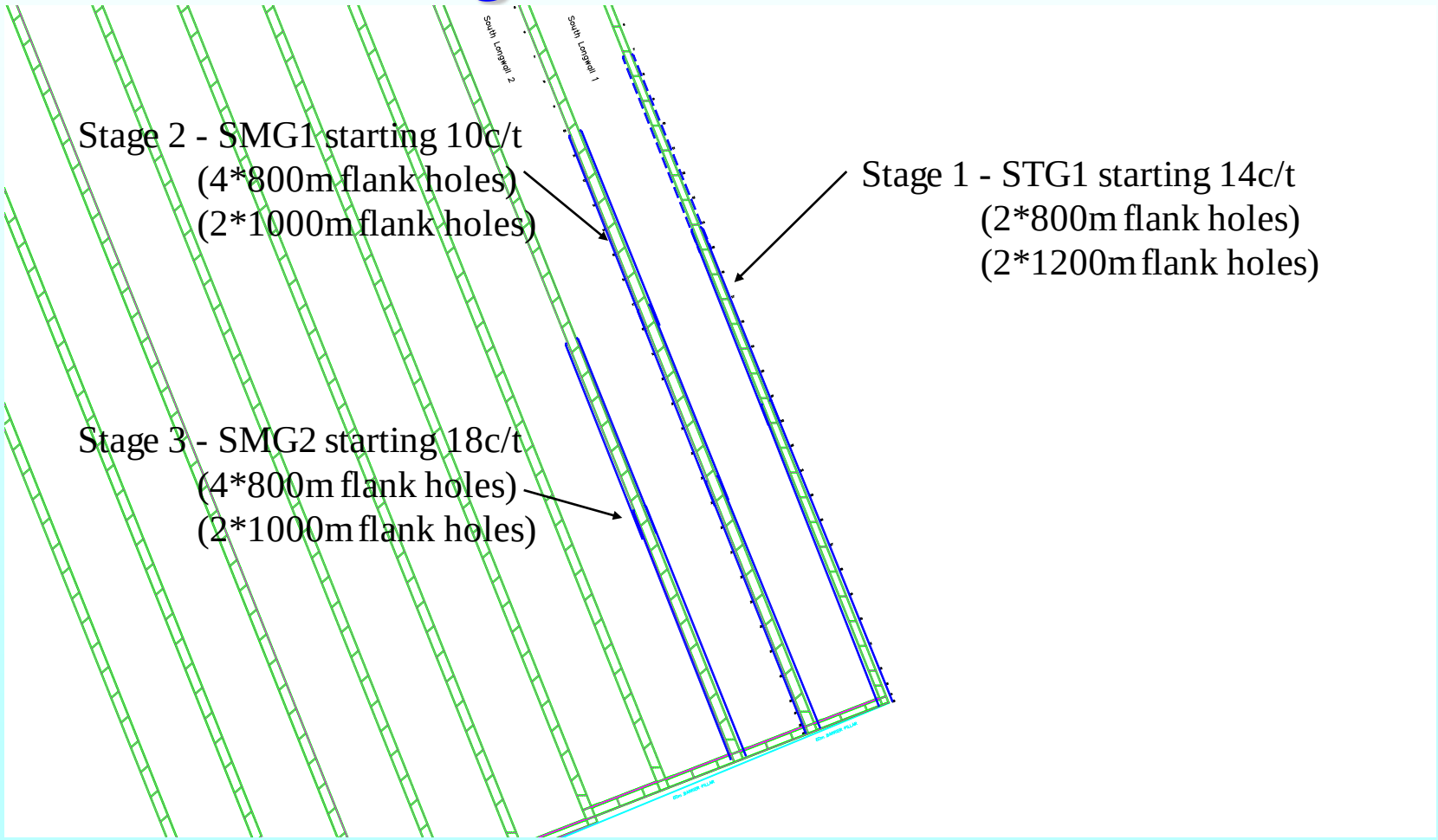
Reason for Surface to Inseam

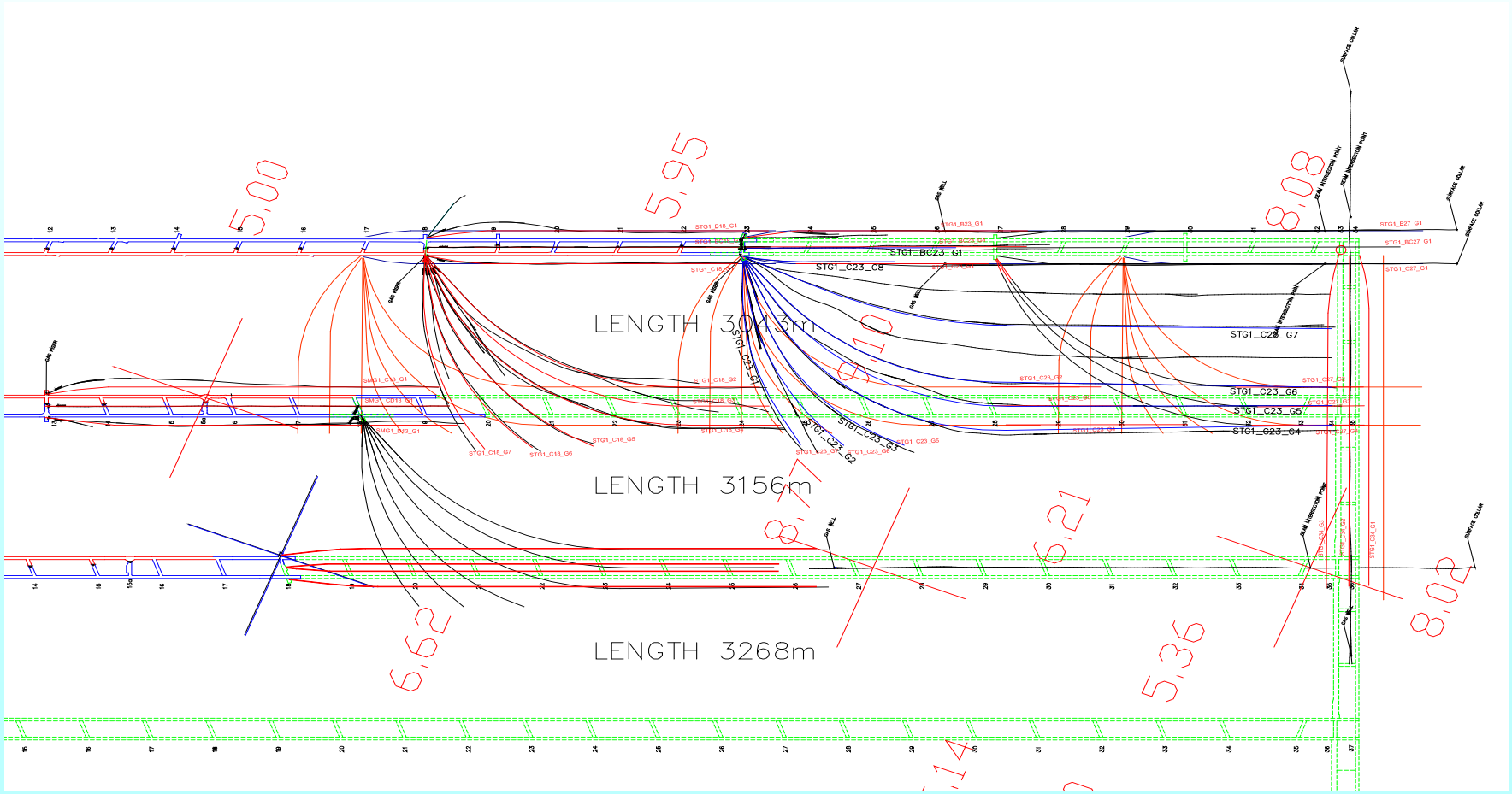
- Time to drain new area.
- Access to drain gateroads
- Longwall float / development lead time and business risk
- Opportunity cost

Oaky Creek Coal Surface to inseam Presentation

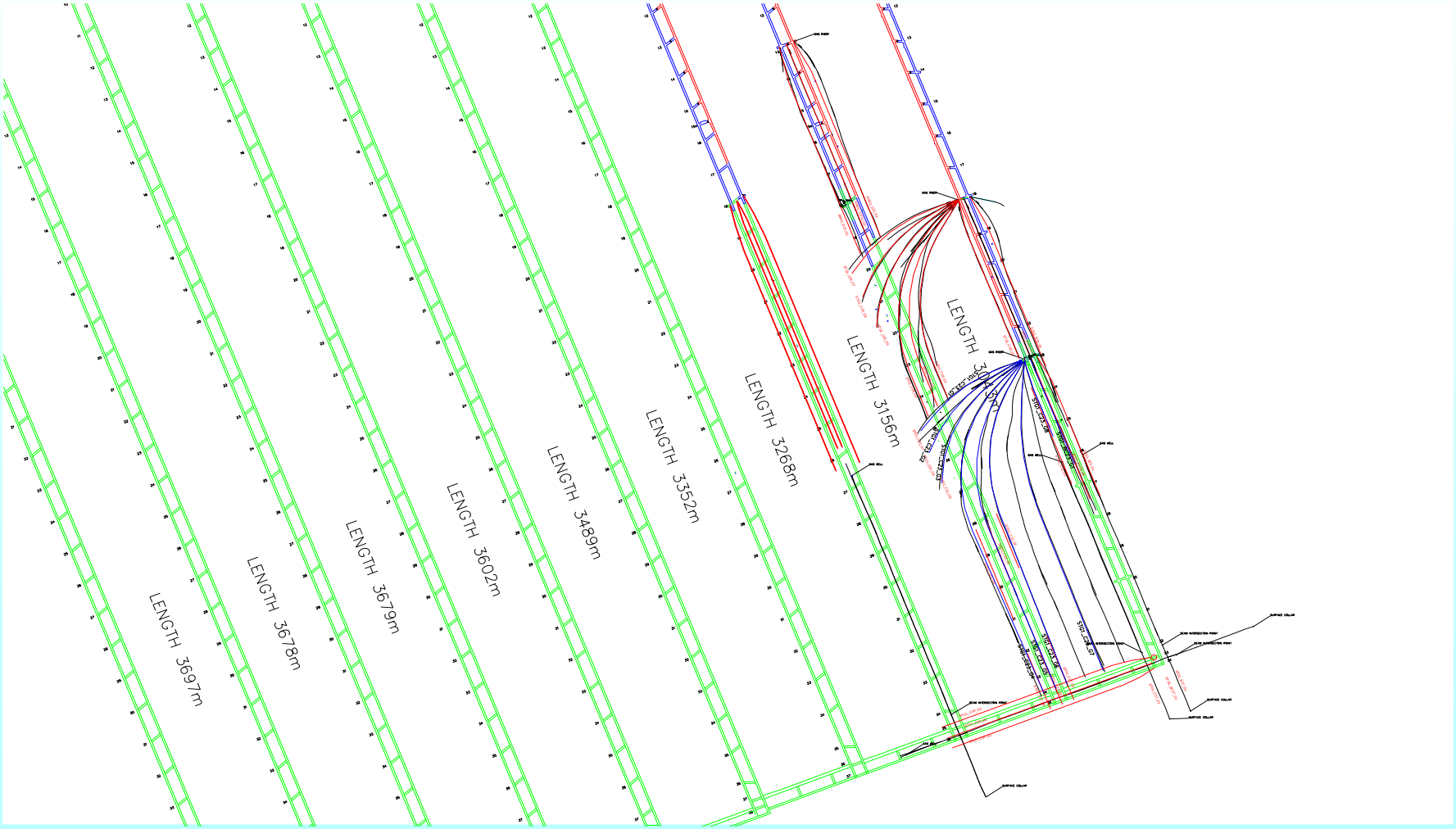
Original Inseam Plan



Oaky Creek Coal Surface to inseam Presentation
Revised Inseam Plan



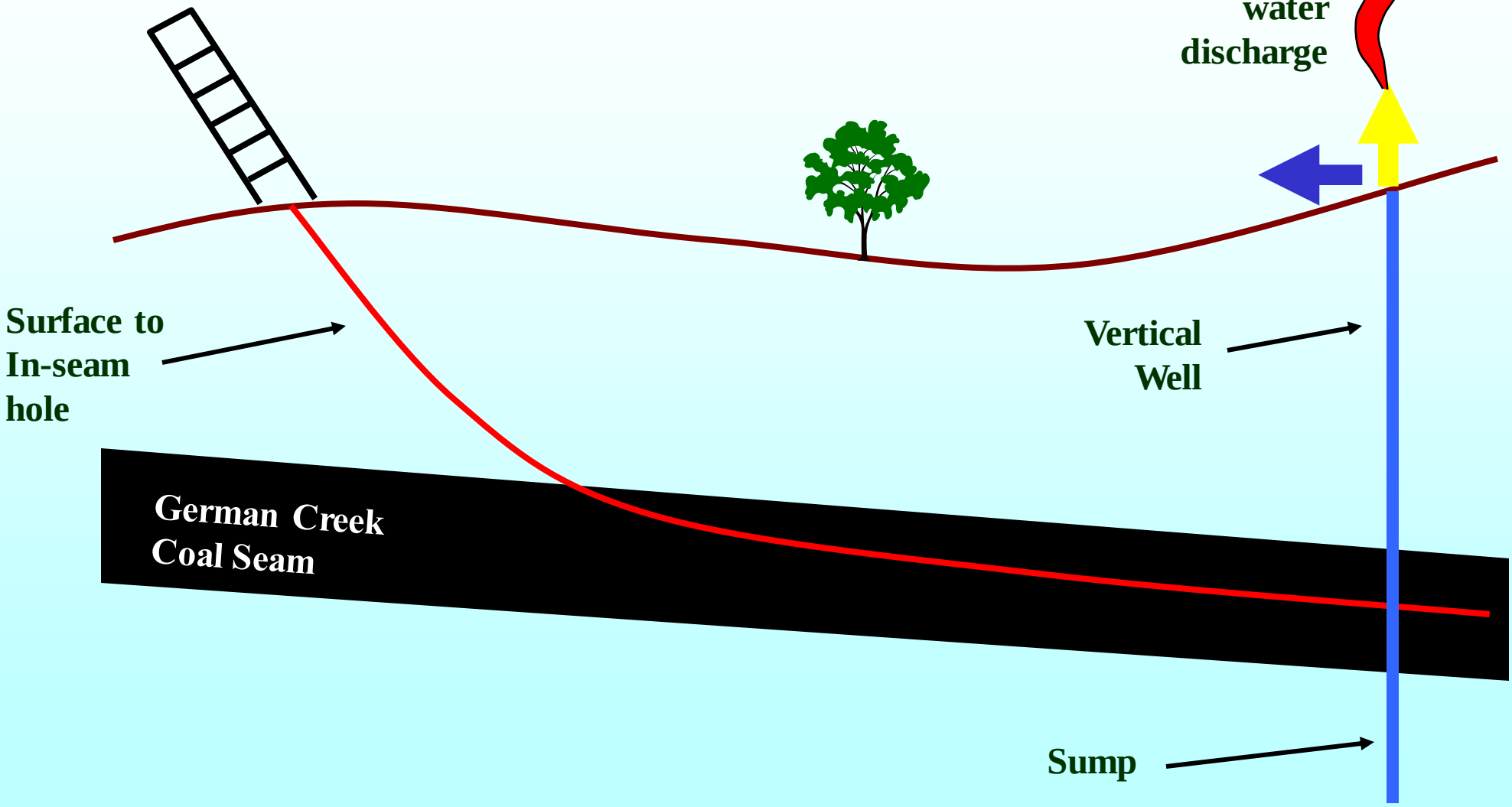
Oaky Creek Coal Surface to inseam Presentation - Revised Inseam and Surface to inseam Plan



Oaky Creek Coal Surface to inseam Presentation - Outcomes

- Regained 2 months float in STG1 and SMG1
- Confirmed surface to inseam could be performed by two drilling companies and assessed performance for future projects
- Confirmed geological data
- Gained permeability and hole flow knowledge
- Gave OCC options for future Gas Drainage
- Reduce gas reservoir by half in 4 months

Oaky Creek Coal Surface to inseam Presentation - schematic



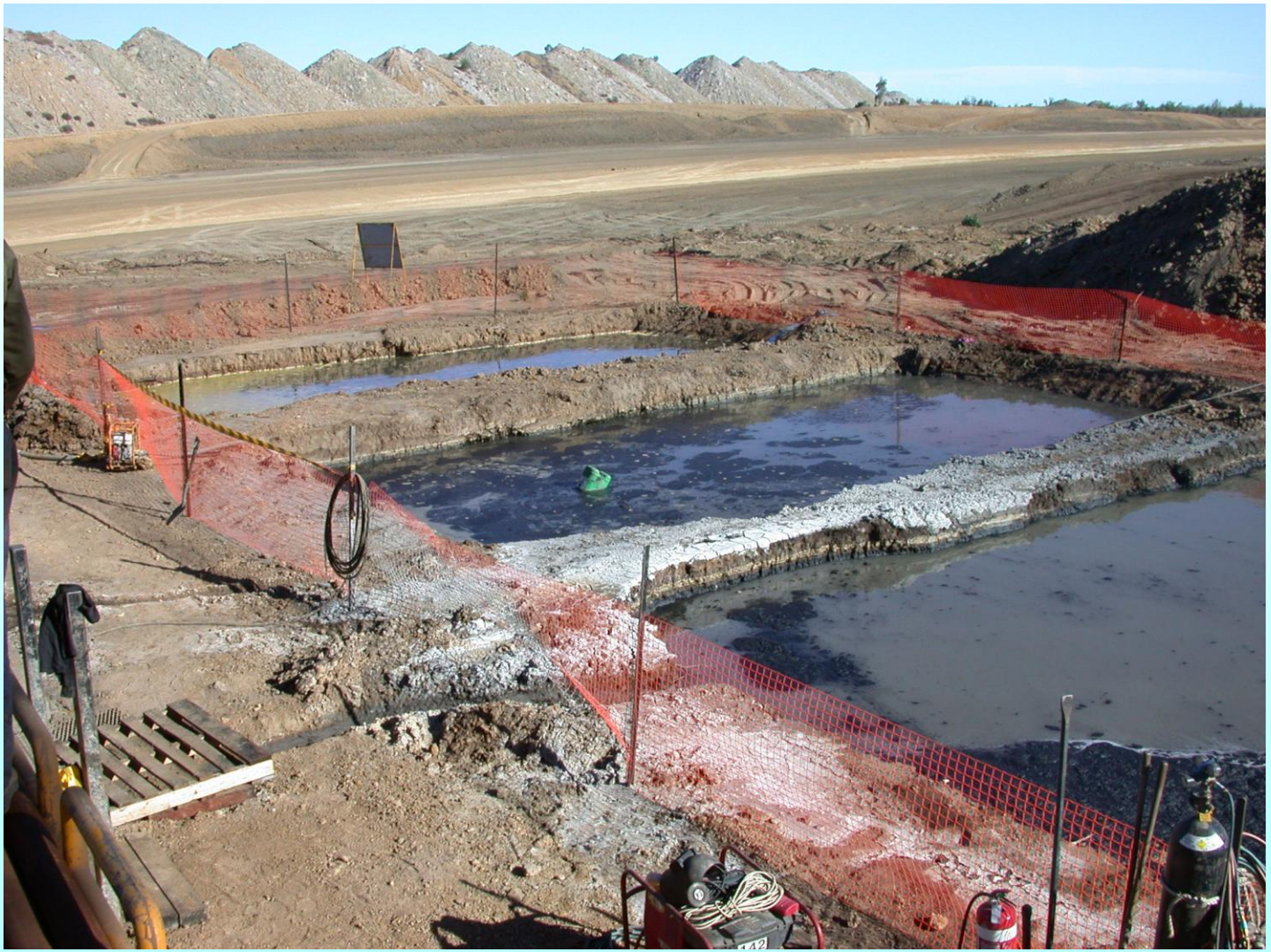
Oaky Creek Coal Surface to inseam Presentation - Slant and Vertical wells

Oaky Creek Coal Surface to inseam Presentation
Operational Issues

- Site preparation
- Availability of infrastructure
- Surface water management
- Intensity of monitoring required
- Determination of water level in hole
- Control of Gas Desorption.
- Interaction of inseam holes with Surface to Inseam holes

Surface Infrastructure

Water Containment (during drilling)



Salty Water

Salty Water Containment - Surge Dam (during well production)

Water Containment (during well production)

Water Containment (during well production)

Monitoring

Oaky Creek Coal Surface to inseam Presentation
Future Opportunities

- Utilisation of gas to power pumps or other OCC ancillary equipment (ie dewatering pumps in pits)
- Telemetric monitoring
- Piezometer instead of echometer
- Increased drilling distance achievable
- Different drilling patterns available
- Geophysical logging of hole

Future holes