VALLEY LONGWALL DRILLING P/L

- CURRENT PROJECTS:
  - Central Colliery
  - Southern Colliery
  - Grasstree Mine
  - North Goonyella Mine
  - Oaky Creek #1
  - Oaky North Mine
  - Daning Mine - China
Central, Southern & Grasstree

- Our long term contracts are with Anglo Coal.
- Grasstree project has been on hold for some months as expected, while the mining dept. moves equipment u/g to begin development drivage.
- Southern running two shifts up until x-mas.
North Goonyella

• Methane drainage for the 4 Nth Longwall block.

• We have a Mecca stuck at a depth of 380 meters with a recovery attempt to start next week.
Oaky #1 & Oaky North

- Current project is for gas drainage.
- Setting up of the drill site commenced this week.
- Project to run up until x-mass.
Daning Mine

- Operated by SAADEC (Shanxi Asian American Daning Energy Company).
- Longwall mine with designed annual production of 4 million tones.
- Mining seam is the no. #3 seam.
- Total seam thickness 3 meters.
- Permeability 2 milidarcy on average.
Daning Mine

- Modeling was done by the Taiyuan University of Technology on a neighboring mine, no modeling was done at Daning itself.
- Flow readings are taken using a pizometer.
- Coring from the surface is not an option due to mountainous terrain & Gov. permits.
Daning Mine

- Total gas output at the surface stack:
  - April 2003 – 72130 m³. (Before VLD rig on site)
  - June 2003 – 90676 m³. (After)
  - August 2003 – 109357 m³. (After 26,000m. of long hole drilling).
- Whole mine average concentration of pure methane 65.05%.
Daning Mine

• Total holes rotary drilled 260 average length 120 meters.
• DHM & camera, 78 holes average length 232 meters.
• AMT Mecca Surveyed holes 33, average length 872 meters.