

COLLIE PROJECT FLIES THE FLAG FOR CARBON CAPTURE AND STORAGE

Western Australia has maintained its momentum in developing carbon capture and storage technology, with the proposed Collie South West Hub nominated for a share of A\$2 billion in Federal Government funding.

The project was one of four around Australia shortlisted for the Federal Government's Carbon Capture and Storage (CCS) Flagship Program, which will support construction and demonstration of large-scale integrated projects across the country.

The nomination builds on the international recognition Western Australia has received for its carbon capture and storage plans through the massive Gorgon Project, which will feature the biggest CCS project in the world.

Minister for Mines and Petroleum Norman Moore said the Collie project's nomination was great news for Western Australia.

"This will initially enable the Collie South West Hub project to share in A\$120 million of Federal funding for pre-feasibility work," he said.

"The project has the potential to develop as a carbon dioxide storage hub and collect carbon dioxide from surrounding industry, including coal-fired power plants.

"It aims to initially store up to 3.3 mega tonnes of carbon dioxide per annum."

The project will analyse the suitability of locations for the storage of carbon dioxide, with the State Government and

industry previously funding analysis of existing data on the Southern Perth Basin between Bunbury and Mandurah.

Department of Mines and Petroleum (DMP) Carbon Strategy Coordinator, Dominique Van Gent, said CCS was an integrated range of technologies designed to lower carbon emissions from power and industrial projects.

"The carbon dioxide is separated from other emissions, compressed into a liquid-like state and transported for injection 2-3km underground, where it will be trapped over thousands of years and eventually immobilised over time," Mr Van Gent said.

"There are different trapping mechanisms at work within the suitable geosequestration site, including a form of mineral trapping whereby the carbon dioxide reacts with local minerals to form calcium carbonate or limestone.

"With coal-fired power stations continuing to supply part of Western Australia's energy needs, implementing CCS technology will be a key component in creating a low emissions future, and will also help fight climate change."

Minister Moore said both Gorgon and the Collie South West Hub projects would help position Western Australia as a leader in low emission technology.

"Examining the effectiveness of this technology and the manner in which industry and the State Government can work collaboratively to deliver this technology will help WA make a significant cut to its greenhouse gas emissions," he said.

International oil and petroleum industry service provider Schlumberger Carbon Services will undertake the project's key study into the geosequestration potential of the area.

The company's report will take into consideration all known data and existing seismic information, as well as analysis of a core from a previous well located at Pinjarra, in order to provide an accurate indication of storage capacity.

Mr Van Gent said DMP and industry would work closely with the community to ensure they were informed about the project's results and progress.

"We expect study results to be available in the third quarter of 2010," he said.

"This will then provide sufficient information to determine whether to progress to the next stage, which would involve drilling and accessing a test hole in a specific area."

Funding for the study was formalised in a memorandum of understanding in June last year between DMP and five other companies:

- Verve Energy
- BHP Billiton Worsley Alumina
- Griffin Energy
- Wesfarmers Premier Coal
- Perdaman Chemicals and Fertilisers.

Mr Van Gent said Alcoa Australia had also recently come on board, offering support for the project.