

Solid Energy looks to restart mine on large Mataura lignite field

27 July 2006 - Solid Energy buys land around Mataura lignite mine on New Zealand's largest coal deposit.

Coal producer Solid Energy has bought land in Eastern Southland surrounding its former lignite mine near Mataura and is looking for new markets.

The Mataura lignite field is the largest in New Zealand with an estimated in ground resource of about 2.1 billion tonnes, substantially larger than the other large lignite fields in Southland such as Ashers-Waituna and Morton Mains. The Mataura field contains some 10 seams each up to 16 metres thick.

Solid Energy's communication director Vicki Blyth said that the company was looking at reopening its Mataura lignite mine.

She said Solid Energy bought the mine in 1996 from Carter Holt which used the lignite in the local Mataura Paper Mill. Following the mill's closure in 2000, Solid Energy had shut down the opencast mine.

To reopen the mine the company needed access to more land and so had bought a number of farms and lifestyle blocks in the area.

Solid Energy's short-term aim was re-establish the lignite mine as a commercial operation. Currently a number of customers were carrying out trials in burning the Mataura coal, Ms Blyth said.

Because of lignite's low calorific value there were issues about keeping the cost of transport low enough to make it viable as an energy option, she said.

The Mataura mine is located next to the No 1 highway and main trunk rail line between Invercargill and Dunedin.

Ms Blyth said that in making the land purchase Solid Energy was also looking to the long term prospects for developing the lignite prospects in Southland. To do this it needed to secure access to fuel supply.

Solid Energy has been investigating large scale lignite use in Southland including a plant to convert coal into diesel.

Solid Energy also has a prospecting permit covering the western side the Mataura field.