

## Solid Energy to make commercial decision on Waikato coal seam gas

**12 January 2007 - Solid Energy expects to make decision by the middle of next year on commercial production of coal seam gas from deep Waikato coalfields seams north of Huntly.**

The company says in its 2006 annual report that Solid Energy and US oil and gas partner Resource Development Technology (RDT) have received positive results from an area containing an estimated base case of 20 – 50 petajoules of recoverable gas reserves.

Solid Energy also says that the potential amount of methane from the coal seam gas trapped in the deep coal seams of its 2860 sq km Petroleum Exploration Permit had the potential to provide as much as 300 petajoules of gas energy. This would be similar in size to the new offshore Kupe gas field now being developed, the company said.

The permit, operated by a jointly-owned company Coalbed Methane Ltd, extends from north of the Huntly coalfields to south of Hamilton.

Coalbed Methane has been drilling an area of the north Huntly field in 2005-2006. The exploration drilling programme was completed to obtain gas volume, gas quality and water quality. Five appraisal wells were being drilled in 2006 to test completion techniques and establish flow profiles.

L&M Coal Seam Gas Ltd, which holds PEP 38611 over the area including the Maramarua coal field further to the north of Huntly, has stated that this contains a potential resource of 70-80 PJ.

Source: Solid Energy.