

Eastern to do more drilling for Takitimu coal mine expansion

27 March 2009 - Brisbane-based Eastern Corporation Ltd, which opened its Takitimu sub-bituminous coal mine at Nightcaps in western Southland last year, plans more drilling in 2009 to assist with the next stages of mine planning.

Eastern says in its half year report to December 31, 2008 that the mine extracted 105 669 tonnes of coal during the period and sold 85 906 tonnes for NZ\$4,444,880.

The mine's major contract is the supply of up to 130,000 tonnes a year of coal to dairy processor, Fonterra, for its Clandeboye plant in South Canterbury.

The mine has a number of other large industrial customers in the region and coal from Takitimu is blended with the hotter coal from the company's Cascade mine in Buller for sale into areas further north.

During the period major infrastructure upgrades were completed on the Takitimu site for the commencement of the Fonterra contract on September 1. A new processing plant was installed and the existing plant upgraded taking the mine's processing capabilities to 300,000 tonnes per annum.

All weather haul roads and a load out facility were also completed to enable the majority of coal to be transported by rail.

Overburden and coal winning have continued to meet targets and no lost time injuries or environmental incidents were recorded for the period.

Eastern says it has also applied to upgrade to exploration permits its two Southland prospecting permits around Ohai and at Orepuki near the southern coast. Both areas are prospective for sub-bituminous coal.

Sources: Eastern Corporation and Lindsay Clark