

New Stockton mining alliance between Downer and Solid Energy

28 September 2009 - Solid Energy and mining operator Downer EDI Mining NZ have agreed to a joint mining alliance agreement for New Zealand's largest export coking coal mine at Stockton, near Westport.

Solid Energy said it has also placed orders for \$75 million worth of new heavy mining equipment which will form the core of the new Stockton mining fleet.

The equipment investment will bring Solid Energy's total investment in the Stockton mine this year to about \$200 million.

The Stockton Alliance will take over operation of the mine on October 3.

Solid Energy chief executive officer, Dr Don Elder said that to deliver substantial export earnings from the mine over the next 20 years, a step change was needed in operational performance.

This required a substantial investment in skilled people, in new fit-for-purpose plant and equipment, and in systems.

He said the Stockton Alliance, a new and innovative approach to mining in New Zealand, will bring together one group of people in one team committed to achieving a common set of objectives.

The Stockton Alliance expects to have up to 650 people working at the mine, employed directly or seconded from Solid Energy and Downers. Up to 100 people will continue to work for contractors who provide specialist services at the mine.

Downer EDI Mining chief executive David Overall said, "We are delighted to have been selected by Solid Energy to partner them in this alliance arrangement.

"Solid Energy is a new client for us, and New Zealand is a new market for our mining business. Our work at Stockton will enable us to build on Downer EDI's already strong presence in New Zealand through our Works, Engineering and Consulting divisions," Mr Overall said.

The new heavy mining equipment ordered includes four Hitachi excavators (110 tonne and 180 tonne) through CablePrice (NZ) Ltd and seven excavators (35 to 110 tonnes), 27 trucks, two loaders, three graders, two wheel dozers and two bulldozers from Caterpillar through Gough Gough & Hamer Ltd for delivery from December this year.

Decisions about additional equipment will be made next year when plans for mining the Millerton and Cypress blocks are more advanced.

The alliance will also hire some existing equipment and services from the mine's current contractors.

A new coal handling and processing plant at Stockton is currently being constructed for Solid Energy by Brightwater Engineering of Nelson.

Source: Solid Energy and Lindsay Clark

Related Links

[Solid Energy](#) - [Stockton](#) - [Coal news articles](#)