

19th May, 1937

MEMORANDUMAdelaide Oil Exploration Company

By direction of the Hon. the Minister for Mines, I am forwarding you a brief statement in connection with the position that has arisen with regard to the oil shale deposits at Latrobe, and the Adelaide Oil Exploration Company.

You are doubtless aware that, owing to repeated failures by private enterprise to economically treat the shale, and that large sums of money had been fruitlessly spent, the Commonwealth Government has set up a committee to fully investigate the position and furnish report thereon. The personnel of the Committee was as follows:-

## MEMBERS of TASMANIAN SHALE OIL INVESTIGATION COMMITTEE

Hon. Claude James, M.H.A., Minister for  
Mines for Tasmania, Chairman.

Mr. H. W. Gepp } Nominated by Commonwealth  
Mr. A. Aikenhead } Government

Mr. J. B. Scott, State Mining Engineer, }  
Mr. P. B. Nye, Government Geologist, } Nominated  
Mr. S.S.B. Purves, Goliath Portland Cement } by  
Co. Ltd., } Tasmanian  
Mr. C. O. Chambers, Australian Shale Oil } Government  
Corporation Ltd. }

Mr. T. M. Jude, representing Australian  
Workers' Union

Mr. H. W. Rees, representing Coal & shale  
Miners' Federation of Australia.

The first meeting was held in Hobart on 15th January, 1931. The report was completed 5th November, 1932; the Committee met subsequently at Latrobe and Launceston. Sub-committees were appointed to deal with the various phases of the industry.

The Committee had the benefit, in its deliberations, of conferring with Dr. Kurth of the Tasmanian University, who, incidentally, obtained his degree for special research work on Latrobe shale, Mr. T. Hytton M.A., Mr. A. Walker, Manager Tasmanite Company at Latrobe for five years. Mr. Walker graduated in Scotland as a specialist on the chemistry and retorting of oil shales. The services of Mr. G. M. Hindmarsh of the B.H.P. Collieries, New South Wales, and Mr. C. F. S. Hood of the Cornwall Company were obtained to advise in connection with mining problems.

At that time this Department carried out a systematic sampling campaign to determine the oil yield. All accessible workings were sampled. The seam was sampled in 48 places in three sections, viz., top, middle band and bottom, making a total of 144 samples. These samples were tested at the Mines Department Laboratory, Launceston.

In addition, boring work was carried out by the Department, the cost of this being borne by the Commonwealth Government. Altogether 16 bores were put down, covering a wide area at depths ranging from 50 to 308

feet. In most of the bores shale was intersected, samples of which were tested and the results registered. From these, and the samples taken from the seam, the total oil yield averaged approximately 27 gallons per ton. This figure was confirmed by actual retorting work carried out by the Tasmanite Oil Company over a period of five years, also by Dr. Kurth, independently.

Now in the face of all this investigation and deduction, the Adelaide Oil Exploration Company comes along and proclaims to the world at large, per medium of the press, that the shale averages 48 gallons to the ton. At the time this appeared in the press, that is, towards the end of last year, the Minister wrote to the Chairman of that Company in December last, drawing attention to the figures published and the wide discrepancy between them and those of the Committee. The Minister merely asked if the Chairman could explain the great variation in the estimated oil content. Up to the present no reply has been received thereto.

I might here mention that it is possible, in places, to procure 50 tons of shale that would give a return of 49 gallons to the ton, but that would be only the top band, say  $\frac{1}{4}$  of the seam, therefore, not representative of the bed as a whole.

This Company, which for some months past, has been making representation to the Minister for Customs for remission of duty on plant proposed to be imported from America, evidently considers that it can acquire the land formerly held by the L. & N. (Tasmania) Ltd. Through its solicitors, Messrs. Butler McIntyre and Butler, application was recently made for that to be done. The matter was considered by Cabinet yesterday, and, as a result thereof, a reply has been forwarded to the firm of solicitors that no consignment, transfer of the rights and privileges conferred upon the L. & N. (Tasmania) Ltd. by agreement in March 1929, will be handed over to the Adelaide Oil Exploration Company.

As you are aware it is the announced policy of the Government to go ahead with the development of the shale for the production of bitumen and oil on the lines of the experimental work conducted at Launceston during the past year. This has been done in conjunction with the Commonwealth Government. It appears to be the only solution of economically utilising these deposits under present conditions. The Minister for Development is deeply interested in its possibilities in that direction. During the week the Minister received a letter from Senator McLachlan recommending that samples of the concentrate be forwarded to London for experimental purposes as a guide in the design of plant for conversion purposes.

From an economic standpoint a great deal depends upon the disposal of residues. These are of undoubted value and should find a ready market. This matter is being investigated. All these problems take time to crystallize. For instance, the Public Works Department wants to see how the experimental section of road behaves after experiencing winter frosts, before giving a final opinion on its wearing qualities.

SECRETARY FOR MINES

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