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EXPLORATION LICENCE 31/80
MIDLANDS, TASMANIA

A.O.	C.G.	E.C.
12 DEC 1985		E&IL
DEPT. OF MINES		
No. 13677/85		

ANNUAL REPORT

COSTAIN AUSTRALIA LIMITED

On Behalf of The
Costain Australia Limited
Victoria Petroleum and Resources Limited
Northwest Bay Company Pty. Limited
Joint Venture

MICROFILMED

OPEN FILE

December, 1985

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1. INTRODUCTION

The Woodbury coal deposit, contained within Exploration Licence EL 31/80, is currently held in the names of three joint venture partners:

Costain Australia Limited
Victor Petroleum and Resources Limited
Northwest Bay Company Pty. Ltd.

Costain Australia Limited is acting as Joint Venture Manager.

Following discussions with the Hydro-Electric Commission and their *nominated consultants during early 1985*, it was decided to curtail exploration activities within Exploration Licence 31/80 until the future of a coal fired, thermal power station was resolved. No exploration work has therefore been conducted during 1985.

The results of exploration undertaken under the management and supervision of personnel from Costain Australia Limited are summarized in the following reference:

Six monthly report for Exploration Licence 31/80, Woodbury Coal Deposit (2 volumes), January, 1985.

2. SUMMARY OF PREVIOUS EXPLORATION

The 1984 exploration programme at Woodbury has included 25 open drill holes, 11 partly and fully cored HQ diamond drill holes and 3 100mm cored seam intersections: 1604.29 metres of drilling in total. All holes have been geophysically logged. Cored coal intersections have been subjected to full float/sink testing. Thermal coal quality parameters have been determined on density composite samples.

The geological structure proposed for the coal measures in the Woodbury area consists of an east-west trending anticline plunging gently to the west. The lateral distribution of the principal economic seams, C and D, is largely governed by the present topography, the level of seam oxidation and two major faults.

Total in situ reserves for C and D Seams in the Main Reserve Block amount to 12.3 million tonnes at an average overburden ratio of 10.3 cubic metres per tonne in situ. Additional reserves are inferred in other areas: B Seam of the Main Block, the Sugarloaf, Northern and Western Reserve Blocks. Total in situ reserves may be as high as 23 million tonnes.

Results of testing to date confirm the following "as received" quality for a combined C and D Seam washed product:

Moisture	12%
Ash	24%
Volatile Matter	18%
Specific Energy	21.5 MJ/kg
Sulphur	<0.5%

The Volatile Matter Content averages 27.7% on a dry ash free basis.

3. EXPENDITURE STATEMENT

The following expenditure statements are expressed on a year-end basis. It should be noted that much of the expenditure invoiced in 1985 was actually incurred in 1984. The total expenditure figure for the exploration programme is therefore more meaningful.

	1984	1985	Total
	\$	\$	\$
Drilling Expenditure	53,039	5,525	58,564
Coal testing and analysis	38,362	5,149	43,511
Consultants' fees	16,696	5,895	22,591
Salaries	31,202	11,178	42,380
Ancillary expenditure	20,067	16,291	36,358
Licence fees, etc.	20,423	3,750	24,173
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	179,789	47,788	227,577
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4. ERRATUM

Since compilation of the last 6 monthly report it has been noticed that borehole WDC123 has been incorrectly located on Figures 1984/01 and 1984/11. True coordinates for this borehole are 540500E/532849N. Repositioning of structural information from this borehole results in minor adjustments to seam structure contours. Re-examination of the structural data presented in Figure 1984/11 indicates that the structural level of C Seam is approximately 2 metres higher than is indicated by borehole WDC123. This will have a minimal influence on the positioning of the C Seam LOX line and volume of overburden calculated.