

May 24, 2007

JCOAL started on construction of UBC demonstration plant in Indonesia

JCOAL started on construction of a large-scale, 600-ton-per-day demonstration plant in Indonesia to upgrade brown coal into higher quality coal for use in power generation. On May 24, a groundbreaking ceremony was held at the Satui coal mine in South Kalimantan, Indonesia. Plans call for the plant to begin trial operation in October 2008. From Japan, officials from JCOAL, the Ministry of Economic Trade and Industry, Kobe Steel etc., attended the groundbreaking. Representing Indonesia was the Ministry of Energy and Mineral Resources as well as other officials.

The demonstration plant is scheduled for completion in June 2008 in the mining area owned by Arutmin Company in South Kalimantan Province, after which brown coal will be introduced in actual trial operation. Demonstrative operation will subsequently begin in October 2008 and continue for the next year and a half to the first quarter of 2010. Bulk samples of upgraded brown coal (UBC) will be supplied for trial use to a number of power companies, including Japanese power companies. Following successful demonstration, the plant will be commercialized in 2010FY. The UBC Process developed by Kobe Steel, Ltd., one of the member companies of JCOAL will be applied for this project, and supported by Ministry of Energy, Trade and Industry (METI), Japan.

The total budget of this project is estimated around 8 billion yen.