

# Coal fuels Chinchilla's future

## Faith pays off for Western Downs town

By **JOHN FARMER**

CHINCHILLA is back in play — bigger and better than before — as the site of a plant that will burn coal to make thousands of barrels of diesel and jet fuel.

Linc Energy shares surged 38 per cent on Monday after the company uncovered an extra 175 million tonnes of coal at the site of its coal to liquids pilot plant south-east of Chinchilla.

The site may hold 775 million tonnes of coal.

The company also said a Supreme Court dispute with coal seam gas companies QGC and BG Group over shared coal reserves

had ended.

Linc chief operating officer Stephen Dumble said the events of the past week had consolidated the company's place in Chinchilla.

"We have always felt there is plenty of room in Queensland for a profitable UCG business as well as a very large CSM business," he said.

Mr Dumble said the South Australian project remained a priority, but a commercial plant at Chinchilla was once again a "real option".

"If not our first option, than second," he said.

Dalby Regional mayor Ray Brown said the State Government's policy decision that ended the

dispute between the companies was long overdue.

"We knew it would come, but there was a bit of horse trading going on for a while," he said.

"All along we had faith everything would work out.

"Now that it has, it's good news for Chinchilla and district."

Linc aims to build a facility there to convert coal to 20,000 barrels a day of diesel and jet fuel.

Linc Energy will continue to seek to expand its resource position at Chinchilla during the next 24 months, including assessing other coals at further depth.

Linc Shares soared 46.6 cents to close at \$1.69 on Monday.