

Minister for Transport, Trade, Employment and Industrial Relations
The Honourable John Mickel
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Queensland company promotes cleaner energy in Vietnam

HANOI: Queensland Smart State company Linc Energy Ltd will partner with Vietnamese and Japanese companies in an Underground Coal Gasification project in northern Vietnam.

A Memorandum of Understanding between Linc Energy, Vietnamese company Vinacomin, and their Japanese partner Marubeni was signed yesterday in the presence of Queensland Minister for Trade John Mickel and the Vietnamese Prime Minister Nguyen Tan Dung.

As part of the agreement Vinacomin will invest US\$5 million into Linc Energy and Linc will also be paid by the consortium to undertake stage 1 of the project, a trial Underground Coal Gasification field in the Red River Delta.

"Stage one of the project is to demonstrate that the coal deposit in the Red River Delta in northern Vietnam is suitable for Underground Coal Gasification," Mr Mickel said.

"To put this project in perspective, it is expected to produce enough underground coal gas to generate electricity to power between 1.5 and two million homes in Vietnam. Eventually the plans are that it will power up to six million Vietnam homes with cleaner energy.

"When the gas is burned, it produces a lower yield of carbon dioxide per unit of energy compared with coal.

"This means that Linc Energy, which is already a world leader in underground coal gasification with projects in Queensland, along with Marubeni and their Vietnamese partner, will be delivering energy and significant environmental benefits to the people of northern Vietnam," Mr Mickel said.

Underground coal gasification, or UCG, is a term used to describe a process whereby difficult-to-mine coal deposits can be turned into a gas for energy generation, or further refined to produce a diesel fuel. Both products are environmentally more sustainable than their comparable more traditional coal products.

"This agreement is another important step in cementing the relationship between Vinacomin, Marubeni and Linc Energy Ltd," Peter Bond, CEO of Linc Energy said.

"The project is exciting as it is a great example of a Queensland company exporting the technology for clean use of coal through a joint venture.

"The Queensland Government's support for our project in Queensland and the assistance provided to us overseas is an important part of our success," Mr Bond said.

Mr Mickel also met with the Vice Minister for Labor today, and has scheduled meetings with the Vietnamese Vice Minister for Transport, and the Vice Minister for Education during the Vietnam leg of his trade mission. The meetings will cover a diverse range of initiatives and opportunities for Queensland firms trading in the region.

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