

Media Release: Sunday August 22nd August 2010

From: Kingaroy Concerned Citizens Group

Minister Returns to Kingaroy

Minister Stephen Robinson will return to Kingaroy on Wednesday night (August 25th, 2010) to address a public meeting of locals citizens concerned about Cougar Energy's Underground Coal Gasification project.

He will be accompanied by DERM Executive Director John Bradley, and three members of an expert panel appointed to assess the impact of the project, and in particular the contamination event that became public in mid July.

DERM and the panel has assessed information about this event, and although Cougar Energy has in the last week submitted additional data to the panel, they will be explaining the circumstances of the event as they are know at the moment.

Kingaroy Concerned Citizens Group (KCCG) will be asking the panel and the minister a series of questions after the information session. These questions will focus on:

- The prospect of Cougar Energy recommencing its trial in Kingaroy
- Estimates of the contamination levels had the trial continued as approved.
- The research that suggest that the site of the UCG trial in Kingaroy is not suitable due to its immediate influence on ground water.
- The effect of these events on the local community
- An explanation on how water samples containing high levels of benzene were apparently switched or mislabelled between collection and analysis (see previous media releases from Cougar Energy and DERM).
- An explanation of how there came to be a three month delay between the initial contamination and the announcement of it.
- The initial approval of the trial when the destination of water in the UCG aquifer is not determined.
- The improbability of rehabilitation of a UCG mining site.
- The long term impact of approved mining projects changing the character of the Kingaroy district to a heavily industrialised zone, incompatible with sustainable farming practices.

KCCG has also noted recent statements made in Parliament by Environment Minister Kate Jones and Member for Nanango Dorothy Pratt (see below). These matters will also be referred to in the part of Wednesday night's meeting assigned for questions and statements.

Also during the last week, KCCG has sent letters to all State MPs summarising the groups continued concerns about UCG. A copy of that letter is also attached below.

John Dalton

(Secretary KCCG)

0422 987 290

On behalf of the Kingaroy Concerned Citizens Group.

Other Contacts:

Chairperson:	Gary Tessman	0428 621 991
Committee Member:	Ross Whiteford	41 636 480
Committee Member:	Damien O'Sullivan	41 625 108

Meeting Details:

7-00pm to 9-00pm
Wednesday 25th August 2010
Kingaroy Town Hall Supper Room

Recent Parliamentary Statements

Hon. KJ JONES

(Ashgrove--ALP) (Minister for Climate Change and Sustainability) (10.10 am): Our government is serious about ensuring mining operations in Queensland are safe and that the environment and regional communities are protected. That is why with regard to events at Cougar Energy's underground coal gasification site outside Kingaroy we make no apologies for taking strong action, and for putting the safety of the community and the environment first.

Under the environmental evaluation order imposed on the company last month, Cougar has been required to investigate the source, cause and extent of groundwater contamination resulting from its operations and to provide a report on this investigation to government. The Department of Environment and Resource Management has now received a formal environmental evaluation report from Cougar Energy under the Environmental Protection Act. The department now has 20 business days to consider the report and determine what further actions may be required.

The report will also be referred to the independent scientific expert panel engaged by the government to assess the completeness of the evaluation. The scientific panel has been appointed to assess and report on the technical, environmental and social impacts of the underground coal gasification industry. Put simply, in order to protect the surrounding landholders and the environment, if the scientific panel is not satisfied with this new technology, our government will not allow the pilot projects to continue.

Cougar Energy's operations remain suspended while this assessment is undertaken. The investigations undertaken by Cougar Energy for the environmental evaluation are separate from the formal investigation being undertaken by the department to determine whether the company has breached strict environmental protection legislation, and relevant offences could attract penalties, or fines, of up to \$2 million.

The conditions of the company's environmental authority for operations were clear: no contamination of groundwater was allowed and, indeed, it had to ensure groundwater was properly protected. If there is any evidence that this company has failed to meet its legislative requirements, we will not hesitate to take action against it.

Mrs PRATT:

I wish to speak about preserving the land. We all agree on one thing: that prime agricultural land needs to be protected. The minister has said it all along and I know that the member for Callide has always stated that. The LNP member for Condamine attended a recent meeting in Kingaroy and he stated that the LNP had a policy to protect agricultural land. However, at this point that protection does not exist. There is no protection of our prime quality land. We all recognise that our produce—what we eat here

domestically and what we send overseas—is of the best quality across-the-board, and I do not think anybody in this House would disagree with that. In relation to the trial in the Kingaroy region, three days of burn contamination occurred. I have said before that, regardless of whether it is one part per billion or 100 parts per billion, it is still contamination of a sort. The current quality of our produce that is sold will not be maintained into the future if these types of contamination events occur on any scale, big or small. We have to remember

that what happened at Kingaroy was a pilot program. Imagine if it had gone on for the full length of the trial—years. It could have been a total disaster. One of the things that came out of that very small three-day burn was the amount of angst and concern in the community and the fact that people within a two-kilometre radius could not sell their stock. It was stated at that meeting—and the minister may recall it because it went straight around our community like wildfire that night—that the water is within Australian drinkable standards; the water is okay to drink; go ahead and drink the water but don't sell your cattle until tissue and blood samples have been taken. The people of that community were very concerned about that. It did impact on livelihoods. When we consider that UCG proponents themselves say that contamination does occur and that

the scientists involved with UCG say to keep it away from communities, water sources and underground water and from good, arable land, surely that speaks to this House of the seriousness of pursuing this type of technology in and around communities. I would ask the minister to reconsider putting in place that protection for these areas and keeping UCG programs and other like infrastructure away from

communities, watercourses and good, arable land.

Letters sent to All State MP

Dear Mr MP

Re Underground Coal Gasification & Cougar Energy

The Kingaroy Concerned Citizens Group (KCCG) is a part of a growing number of Queenslanders that are opposed to Underground Coal Gasification (UCG).

This opposition has been justified after the release of toxic chemicals into groundwater at Kingaroy recently.

UCG is a process that burns coal underground to produce syngas for electricity generation. Although it is being promoted as “clean” energy, evidence suggests that this is not an accurate description of the process.

KCCG is opposed to using the UCG process in any areas where there is potable ground water supplies and prime farming land.

Our reasons for this are:

- 1. Water contamination:** The UCG process has caused serious water contamination issues in areas such as Hoe Ck in Wyoming USA, and now at Cougar Energy’s Kingaroy experiment. Proponents of UCG state that the process can and does contaminate water supplies. At Kingaroy, this experimental process is being carried out under important water aquifers. UCG will allow toxins such as benzenes and phenols to enter water supplies. This occurred 3 to 4 days after the Cougar experiment started and then failed. Other UCG projects that have contaminated water supplies are el Tremedal in Spain, and parts of the former Soviet Union.
- 2. Water loss:** Heat and the subsidence earth caused by the UCG coal fire can cause great structural damage to rocks above aquifers, which in turn allows groundwater from aquifers to flow into the coal cavity. Surrounding farms and towns rely on these aquifers for their potable water requirements.
- 3. Subsidence:** At the UCG site in Uzbekistan there is subsidence of land as coal is burnt at varying depths. Subsidence severs aquifers that feed bores and wells. Any subsidence will ruin good farming land and underlying water aquifers. The experimental trial at Kingaroy has been allowed to occur on and around prime farming land supports two large dairies that use underground water, and other farms that grows peanuts soybeans, wheat, corn and popcorn.
- 4. Claims of "clean" coal:** It is a toxic process that leaves poisons in the ground cavity and expels toxins to the surface that need to be scrubbed out of the syngas. These chemicals then need to be stored in toxic waste water dams. The resulting chemical cocktail then needs to be disposed of “somewhere”. In Kingaroy, these toxins are present in the on-site dam built for that purpose.

5. **“Efficient” use of coal reserves:** A great proportion of the heat from the coal is lost in the heating up of the underground cavity as the coal burns; this makes the process thermally very inefficient and produces high carbon levels for energy actually produced.
6. **Carbon capture:** Proponents of the process say that CO₂ capture is possible by using the coal cavity for reinjection of CO₂ after burning. However, the cavity has a high likelihood of subsiding and because of this instability, it could not be guaranteed that any CO₂ would be stored.
7. **Why use this toxic process?:** Queensland has ample coal reserves and natural gas that can be burnt in controlled situations above ground. While conventional coal burning is not ideal or necessarily clean energy, (and we should be promoting alternative and low energy practices), it is a known and controllable process. UCG is neither known nor controllable. Out of sight and underground is not clean technology. Its toxicity is more insidious.
8. **Interference with agriculture:** UCG plants need a continuous stream of pipes and holes being drilled across the landscape as coal burns below ground. Does the heat from these pipes sterilise the soil surface also? Agriculture or any other industry cannot co-exist with UCG, especially with the risk to groundwater. There is an obvious net loss of valuable farming land.
9. **Use of water in the UCG process:** In prime agricultural land, this process has the potential to dramatically affect the availability of local water through its need for water in the burn process. On a commercial scale it could have a profound impact to local water supplies.

We would ask your support in ensuring that the UCG process is not considered as part of Queensland’s future energy solution. With adequate minable coal supplies and alternative energy such as solar becoming common, there are better responses to global warming than allowing the development of a process that permanently contaminates underground water supplies and damages the landscape.

For further information on the concerns about these processes worldwide, please contact the Kingaroy Concerned Citizens Association.

Regards

John Dalton
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