MEDIA RELEASE

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Work starts on-site at clean coal project

Work has started at a Queensland coal-fired power station to ready it for a world-first demonstration of innovative 'bolt-on' technology for reducing emissions.

The $206 million Callide Oxyfuel Project involves retrofitting CS Energy's Callide A Power Station near Biloela to enable carbon dioxide to be captured for geological storage.

Federal Resources and Energy Minister Martin Ferguson and Queensland Mines and Energy Minister Geoff Wilson today marked the milestone.

The project will see the retrofitting of a coal-fired boiler at Callide A with oxyfuel technology so it can burn coal in a mixture of oxygen and re-circulated flue gases. This will create a highly concentrated stream of carbon dioxide (CO_2) suitable for capture and storage deep underground in geological formations west of the power station.

Speaking on behalf of the joint venture, Project Director Chris Spero said it would be the first in the world to retrofit an existing power station with this technology.

"The Callide Oxyfuel Project represents a new way to make an existing coal-fired power station produce cleaner electricity," Dr Spero said.

"Our demonstration will prove oxyfuel's suitability for application to existing and new coal-fired power stations.

"Success here at Callide A will mean that existing coal-fired power stations around the world can play a role in reducing global warming."

The Callide Oxyfuel Project is a joint venture between CS Energy, the Australian Coal Association, Xstrata Coal, Schlumberger, and Japanese participants, JPower, Mitsui & Co. and IHI Corporation. The project has also received financial support from the Federal and Queensland governments and the Japanese Government.

The oxyfuel combustion process, first conceived in Japan in 1974, has been tested in small-scale projects in Japan, the USA the UK and Europe. There are other oxyfuel demonstration projects elsewhere in the world, but the Callide Oxyfuel Project is the first to 'bolt-on' the CO_2 capture technology to an existing power station.

A new website for the Callide Oxyfuel Project is now live at www.callideoxyfuel.com.

Callide Oxyfuel Project Fast Facts

Location:	Callide A Power Station, outside Biloela in central Queensland
Size:	1 x 30MW unit
Cost:	$206 million
Emissions reduction:	Oxyfuel technology has the potential to capture approximately 90 per cent of greenhouse emissions from a coal-fired power station
Timeframe:	Plant refurbishment – underway Oxyfuel conversion – 2010 Demonstration phase – 2011 for five years.

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For more information on the project, visit www.callideoxyfuel.com.

To arrange interviews or obtain copies of a broadcast quality animation or print quality photographs, please contact:

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