

# Blue Energy to capture and sell coal mine gas to lower emissions, increase mine safety

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October 29, 2020

By

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Blue Energy (ASX: BLU) has executed a non-binding memorandum of understanding (MOU) to capture fugitive mine gas from the proposed Isaac Plains underground coal mine in the North Bowen Basin.

The MOU with Stanmore Coal (ASX: SMR) paves the way for similar agreements with coal mines in the Bowen Basin, says Blue Energy.

Stanmore's ground overlaps Blue's ATP814P permit area in the Bowen Basin.

The proposal also comes against the background of the Queensland state government's recent decision to spend \$5 million on a new gas pipeline that could also transport fugitive gas captured in coal mines.

The MOU allows Blue Energy and Stanmore to develop a detailed agreement for the capture, processing and marketing of mine gas that would otherwise be a waste product when Isaac Plains underground comes into production.

Blue Energy says the capture and use of mine methane will not only mitigate venting and flaring of fugitive gas emissions from the coal mine, it will help the coal industry meet emissions targets.

It will also lower the risk of underground gas release in the mine and improve mine safety.

Furthermore, it will increase the marketable volume of gas contained in the under-developed North Bowen Basin.

## **Turning a waste product into a profit maker**

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For Stanmore, Blue Energy and the Queensland Treasury, it will turn an otherwise waste product into a potential profit maker and producer of royalties for the state.

The proposed new gas pipeline between Moranbah and the east coast market is intended to carry gas from the Bowen Basin, and that could include fugitive gas captured from coal mines along the pipeline's route.

The MOU envisages pre-mining gas draining from three Stanmore mining licence areas, then that gas being conditioned to sales specifications.

The gas would then be sold into future domestic gas contracts.

The MOU will benefit both participating companies and their industries, said Blue Energy.

## **Cooperation between gas and coal industries**

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“It marks a level of cooperation between two industries which are under constant scrutiny for their respective levels of fugitive emissions, and which can be replicated between other resource companies,” the company added.

This move could be added to Blue Energy's priorities listed in a recent presentation.

These were, first, to monetise the company's 3,000 petajoule (PJ) gas resource in the Bowen Basin through supplying Townsville and new industry gas buyers, along with developing peak gas-fired power generation.

Second, to monetise its gas in the Galilee Basin (838 PJ) through an east coast market pipeline connection.

Third, restart operations in the Northern Territory where the company has a large acreage position in the Beetaloo and McArthur basins.

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