
COAL21 Announces Funding for Australia's first Carbon Capture Hub

Statement by Mark McCallum, Chief Executive Officer

Australia's largest industrial low emissions technology fund COAL21 Ltd will provide several million dollars of additional funding towards establishing Australia's first commercial scale carbon capture hub in Queensland.

COAL21 is a \$550m low emission technology fund established by the Australian black coal industry with the purpose of investing in research and deployment of carbon reduction technologies. These technologies are vital to reducing the risks of human-induced climate change and will support the transition to a low emissions global economy, in line with participation in the Paris Agreement. Through COAL21, contributors to the fund are delivering projects which reduce and remove emissions through technology and collaboration with Australian and international partners.

The new funding will support consideration of a final investment decision in June 2020 to begin the \$150 million construction of a Carbon Capture plant at the Millmerran Power Station as part of the Carbon Transport and Storage Company's Integrated Carbon Capture, Utilisation and Storage Project in the Surat Basin. This plant – together with the further stage of geological storage – represents an estimated \$230 million investment in industrially-scalable CCS in Queensland's Surat Basin, and removes some 25,000 cars equivalent of emissions every year over the project's potential 25-30 year life.

COAL21 is excited by the potential benefits from the establishment of Australia's first commercial scale carbon capture hub in Queensland. This further investment strongly aligns to COAL21's core purpose of investing in research and deployment of low emission coal technologies.

Importantly, investing in this project provides the foundation of critical infrastructure needed to reduce and remove existing and future sources of industrial emissions, including from coal-fired and other electricity generation, steel and cement manufacture, mining processes and from other future energy sources, such as hydrogen.

The investment will provide:

- an emissions reduction solution for carbon exposed industries in Southern Queensland
- better and more secure employment opportunities and improved energy security in the National Electricity Market
- the foundation of a commercially competitive emission reduction and removal solution for new high efficiency low emission power stations as well as emissions reduction infrastructure for Australian industries of the future such as hydrogen production and carbon recycling.

This funding sends a clear message internationally about Australia's commitment to practical, effective action on emissions reduction, industry development and a sustainable economy.

The Surat Basin has been chosen for its storage potential for CO₂, a range of potential commercial users of CO₂, and a number of significant industrial sources of CO₂, notably Australia's newest coal fired power stations at Millmerran, Kogan Creek and Tarong North. The Surat Basin has been consistently identified as a CO₂ storage option since 2009's National Carbon Storage Taskforce which estimated a theoretical storage capacity of up to 2.9 billion tonnes of CO₂.

This latest investment continues more than a decade of COAL21 investing in low emission technologies, including a world first project that demonstrated carbon capture technology can be applied to coal-fired power stations to generate electricity with low emissions – the Callide Oxyfuel Project.

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