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ENERGY MINERALS – 1

Staying Put

Coal to remain significant part of SA's energy generation mix

SIMONE LIEDTKE | CREAMER MEDIA ONLINE WRITER

Notwithstanding recent and continued advances in the roll-out of renewable energy and energy efficiency measures, South African National Energy Development Institute (Sanedi) GM for cleaner fossil fuel use Professor **Tony Surridge** expects coal to continue to form a significant component of South Africa's energy generation mix.

Although the recently released draft Integrated Resource Plan 2018 indicated a gradual decrease in coal-based electricity generation, he told delegates at the Fossil Fuel Foundation's Clean Coal Technology conference last week that the installed coal-fired capacity in 2030 was expected to be about 46%.

Therefore, as a transition measure, Surridge pointed out that carbon capture and storage continued to be developed as one of the National Flagship Programmes of the National Climate Change Response White Paper.

South Africa, as a coal-based energy economy, is committed to trying to decrease climate change impacts as a result of carbon dioxide (CO₂) emissions.

To achieve this, Surridge told *Mining Weekly*, the country had placed its focus on energy efficiency and renewable energies.

Another alternative, Surridge highlighted, was to capture the CO₂ and to use or store it.

"If we want to capture the carbon dioxide, we should then clean it, compress it and put it into a very appropriate geological formation, which is usually between 1 km and 2 km deep," he explained.

Meanwhile, in partnership with its stakeholders, Sanedi is scheduled to characterise a site for the pilot CO₂ storage project during 2019.

As at November 10, the World Bank, as custodian of the Carbon Trust Fund, had made available \$23-million in support of the pilot project.

Surridge, however, told delegates that a recently completed CO₂ utilisation study indicated a number of options for the use of CO₂ in South Africa.

A significant finding with regard to the study, he added, was the requirement for the generation of hydrogen and, in particular,



TONY SURRIDGE

There are a number of options for the use of carbon dioxide in South Africa

the use of renewable energy. One of the options was the mineralisation of CO₂, which was currently being further investigated in collaboration with the Council for Scientific and Industrial Research. ■■

To watch a video in which South African National Energy Development Institute GM for cleaner fossil fuel use Professor Tony Surridge speaks to *Mining Weekly* about the status quo in South Africa surrounding carbon dioxide storage and use, scan the barcode with your phone's QR reader, or go to Video Reports on www.miningweekly.com.



ENERGY MINERALS – 2

South Africa's coal output continues to decline

SIMONE LIEDTKE
CREAMER MEDIA ONLINE WRITER

XMP Consulting senior coal analyst **Xavier Prevost** expects South Africa's coal production to soon "drop drastically" as a result of low investment in new coal mining capacity and older mines reaching the end of their lives.

Speaking to *Mining Weekly* on the sidelines of the Fossil Fuel Foundation's conference on clean coal technologies, in Glenhove, last week, he said South Africa was at "a point of transition".

"We don't have the investments right now, [which means that] we cannot plan new projects or new mines – and that is the lifeline of the industry."

Investment is imperative to ensure the industry is able to continue producing sufficient volumes of coal to meet the demand of the local industry, as well as to continue exporting coal.

"We are not doing that well – we are actually decreasing production. And, with this, comes increasing costs, increasing prices and,

therefore, everything is [affected]," he said.

To mitigate these effects, Prevost told conference delegates, most collieries were now trying to optimise their coal production to supply coal to the domestic or export markets, depending on which was more profitable.

However, he pointed out that "exports will never recover the allure they used to have" as a result of limited exported tonnage.

"Export coal cannot grow until the present coal oversupply and the Richards Bay Coal Terminal price decrease."

In turn, this means that more low-ash coal would be used domestically, at higher prices, he said.

Domestic prices are increasing continually, with some better grades now fetching higher prices than similar grades in the seaborne market.

Prevost noted that new coal mines were needed to supply coal to embattled State-owned power utility Eskom and future independent power producers.

Prevost also pointed out that the global drive to implement more renewable-energy capacity would, contrary to popular belief, not have an adverse effect on coal.

If it did, he warned, it would increase the risk of energy poverty.

While renewables could be used as part of an energy mix for a country, Prevost noted, this should only be implemented to a limited percentage of the mix that is "reasonable and logical".

Going beyond that, he warned, would become a problem economically.

As an example, he cited Germany, a country that seemed to have implemented renewable-energy measures only.

"It's not working for them as a country, and, economically, it's actually a big problem in terms of producing energy or electricity at competitive prices." ■■

To watch a video in which XMP Consultants senior coal analyst Xavier Prevost speaks to *Mining Weekly* on the sidelines of the Clean Coal Technologies conference about the current and future trends in coal production, trade and markets in South Africa, scan the barcode with your phone's QR reader, or go to Video Reports on www.miningweekly.com.

