



## Industry news : August 2006

- [DTI launches interactive map of UK renewable energy locations](#)
- [UK coal production statistics for April to June 2006](#)
- [Proposals submitted for two underground gas storage projects in England](#)
- [Centrica offers 13% more gas storage space at offshore Rough facility](#)
- [Quarry Products Association wins award](#)
- [Outlook for gold price looks healthy](#)
- [Metal mining companies report record profits](#)
- [North Wales quarry bid is 'Restoration' success](#)
- [Bronze age canoe stops pipeline](#)
- [Galantas Gold Corporation raises funds for development of gold mine near Omagh, County Tyrone, Northern Ireland](#)
- [Alba Mineral Resources raises development funds](#)
- [Council rejects ban on quarry tip](#)
- [Analysts predict rises in UK electricity prices](#)
- [Communities and businesses to suffer from Peak District nimbyism](#)

### **DTI launches interactive map of UK renewable energy locations**



Wind farm in Scotland.

*Photo Copyright: BGS©NERC*

The Government's recent Energy Review outlined plans for another big push on renewable energy up to 2020. Progress can now be easily tracked via a dynamic DTI web facility that was launched this month. Onshore and offshore wind farms, solar power schemes, hydro-electric and biofuel projects across England, Northern Ireland, Scotland and Wales can all now be located at the click of a mouse.

The site gives descriptions of the projects, along with their status - approved, under construction, operational etc - and their installed capacity. The website also contains quarterly reports providing separate statistical updates on the delivery of renewable energy schemes in England, Northern Ireland, Scotland and Wales.

Source: <http://maps.restats.org.uk>

## UK coal production statistics for April to June 2006



Orgreave opencast coal mine.  
*Photo Copyright: BGS©NERC*

The Coal Authority has released production statistics for April to June 2006. Total production in the three months was 2,307,152 tonnes from opencast and 2,541,273 tonnes from underground mines making a total of 4,848,426 tonnes. The 41 sites employ 5620 people. These figures compare with 2,820,790 tonnes from opencast and 1,913,477 tonnes from underground mines in the same quarter of 2005. At end-June 2005 there were 6,544 workers at 49 sites.

Source :

[http://www.coal.gov.uk/services/licensingindemnities/production\\_manpower\\_returns\\_apr\\_jun\\_06.cfm](http://www.coal.gov.uk/services/licensingindemnities/production_manpower_returns_apr_jun_06.cfm)

## Proposed changes to the planning regime for energy projects

### North Yorkshire

The power supply company E.ON UK has submitted a scoping application to develop an underground gas storage facility north of Aldborough in East Yorkshire. 10 gas storage caverns will be built at a depth of 2000 m to store 420 million cubic metres of gas – about the same as that consumed by the whole UK on a cold winter's day.

Engineering manager Derick Cottell said: "It's still very early days but we are committed to working with the community and all our local stakeholders from the outset. There is an urgent need for more gas storage in the UK as our own supplies decline. Developing the proposed scheme is an important step to ensuring we keep the UK's light on and help stabilise energy prices". The company hope to submit a full planning application later this year.

Source: <http://news.bbc.co.uk/1/hi/england/lincolnshire/5260408.stm>

### Dorset

<http://www.bgs.ac.uk/downloads/start.cfm?id=>

Egdon Resources plc announced that it has confirmed the technical feasibility of its proposed gas storage facility on the Isle of Portland in Dorset. Subject to obtaining planning approval for the project, Portland Gas will commence construction as soon as possible. The proposed facility will comprise 14 caverns within the Triassic Saliferous Beds capable of storing 1000 million cubic metres (35 billion cubic feet) of natural gas. The facility is being designed to enable the injection or withdrawal of gas at a rate of 20 million cubic metres per day (0.7 billion cubic feet per day). At these rates the entire storage volume could be filled or emptied in 50 days. Portland Gas is now finalising the environmental statement for the project and the planning and pipeline construction authorisation applications are being prepared for submission in the fourth quarter of 2006. Assuming planning approval for the project is granted in the first half of 2007, it is anticipated that an initial storage capacity would support gas deliveries to the national transmission system in the winter of 2010, with full capacity being available during 2013.

Source: <http://www.egdon-resources.com/4+September+2006+-+Portland+Gas+Storage+Project+Update>

### **Centrica offers 13% more gas storage space at offshore Rough facility**

Centrica Storage, the operator of the UK's largest gas storage facility, Rough, has stated that it will make an additional 13 billion cubic feet (bcf) of storage space available for winter. This will increase the amount of gas stored in Rough this winter to a total of 113 bcf, compared to a normal working capacity of 100 bcf. Based on the current injection performance and reservoir modelling, Centrica Storage plan to make 20 million therms (approximately 2 bcf) of further additional space available for the year 2006/7.

Rough is currently 90% full and the company expects it to be full around the end of October. The facility can meet approximately 10% of the UK's peak gas demand. Centrica Storage will release this capacity through a single stage pay-as-bid auction

Sources : <http://www.platts.com/HOME/News/8602381.xml?sub=HOME&p=HOME/News>

<http://www.centrica.co.uk/index.asp?pageid=25>

### **Quarry Products Association wins award**



Aggregates production in UK.  
*Photo Copyright: BGS©NERC*

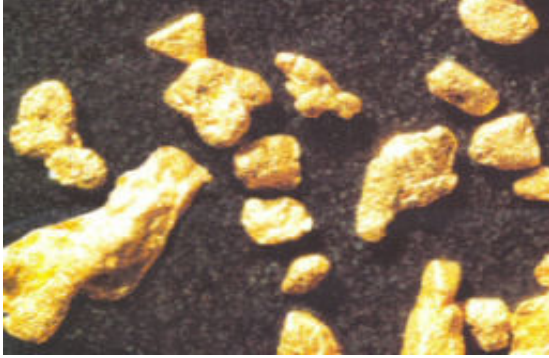
The Quarry Products Association (QPA) has been named as Trade Association of the Year in the 2006 CBI Trade Association Forum Awards. The QPA beat off the stiff competition of associations from across the United Kingdom, to achieve the award given for Leadership, Innovation, Excellence and Success.

<http://www.bgs.ac.uk/downloads/start.cfm?id=>

The QPA also landed another of the sixteen awards presented at the event for its successful contribution to sustainability. The "Environmental Initiative Award" was won on the strength of the QPA's Sustainable Development Strategy for the sector which demonstrated best practice in engaging stakeholders and industry alike in the issues of sustainable quarrying.

Source : <http://www.qpa.org/news/14jul06.htm>

### **Outlook for gold price looks healthy**



Gold grains

*Photo Copyright: BGS©NERC*

Paul Walker, the managing director of international research firm GFMS, has said that gold could reach record price levels in the long-term. Mr Walker's comments, made at the third India International Gold Convention earlier this week, gave gold traders and investors confidence that the metal can bounce back from its relatively low recent levels. Currently, the price of the precious metal has been hovering between \$600 and \$620 an ounce and, although Mr Walker was quick to note that gold was likely to fall in the short-term, a major recovery and boom was set to begin in 2007.

Source: <http://www.gold.org/value/news/article/4717/>

### **Metal mining companies report record profits**

London-based Rio Tinto and BHP Billiton have announced record profits for the past 6 months.

Rio Tinto announced that first half underlying earnings of \$3,751 million were a record, and 80 per cent above the corresponding period in 2005. Many operations achieved record production in the period. However, industry-wide cost pressures impacted the business in the first half, reducing underlying earnings by \$513 million, adjusted for inflation. Continuing investment in the growth of the business was reflected in record capital expenditure of \$1,758 million in the first half. The major infrastructure and mine expansions of the Group's iron ore operations in Western Australia are on track, and construction commenced on the development of the Hope Downs deposit. Other significant development projects were progressed, including the titanium dioxide project in Madagascar, the Cortez Hills gold deposit in the US and the Argyle underground diamond mine in Australia.

BHP Billiton announced record attributable profits of US\$10.2 billion for the year ended 30th June 2006. This represented an increase of 58% over last year's result. This was mainly attributable to higher average LME prices for copper of US\$2.28/lb (compared to US\$1.43/lb) and higher prices for silver, zinc and lead. Higher production volumes from record copper and silver production at Escondida (Chile), record copper, silver and

molybdenum production at Antamina (Peru), record zinc production at Cannington (Australia) and record gold production at Tintaya (Peru) also led to increased earnings. Four projects were completed and seven approved during the year. The seven new projects have an expected cost of US\$5.0 billion (BHP Billiton share), bringing the current project pipeline to 23 projects with an expected investment of US\$13.8 billion.

Source : <http://www.riotinto.com/media/media.aspx?id=1009>

Source: <http://www.bhpbilliton.com/bb/investorsMedia.jsp>

### **North Wales quarry bid is 'Restoration' success**

Television viewers have backed plans to turn a slate quarry workshops into a heritage engineering workshop in Wales' heat of the BBC's 'Restoration Village' series. Pen yr Orsedd in Nantlle, Gwynedd will join eight finalists in the live UK final on 17 September. The Grade II-listed quarry buildings in Nantlle include workshops, offices, hospital and industrial buildings. Four hundred and fifty men worked in the quarry, which finally closed in 1997. The walls and roofs are in place but the interiors of the buildings need total renovation in order to create a training and workshop centre for the repair, replication and manufacture of heritage engineering items.

Source [http://news.bbc.co.uk/1/hi/wales/north\\_west/5301974.stm](http://news.bbc.co.uk/1/hi/wales/north_west/5301974.stm)

### **Bronze age canoe stops pipeline**

Archaeologists working on a gas pipeline near Milford Haven in Pembrokeshire have unearthed what they believe to be a 3,400 year-old canoe. Work has stopped on a section of the pipeline near St Botolphs to allow the Bronze Age oak relic to be recovered. It is the first such discovery in Wales and only 150 exist across Europe. Senior archaeologist Neil Fairburn said: "You could never have expected to find anything like this in this small wetland area, it's just awesome."

The team has also found evidence of a small settlement, a small amount of property and other items, such as polished stone rings.

### **Galantas Gold Corporation raises funds for development of gold mine near Omagh, County Tyrone, Northern Ireland**

An oversubscribed Private Placing has raised 3.5 million Canadian dollars to expand exploration and development. Galantas President and CEO, Roland Phelps, said: "We are delighted to have successfully raised the new monies. They will enable us to accelerate parts of our development program, including diamond drilling, aimed at expanding the Galantas gold operation. We are making good progress with site construction and fitting out the mill."

Source: <http://www.galantas.com/corporate/s/NewsReleases28072006.html>

### **Alba Mineral Resources raises development funds**

Alba Mineral Resources, who are exploring for copper-nickel in Aberdeenshire and gold in several areas of Scotland and Ireland, has raised approximately £505,000 through the issue of additional shares. The money raised will provide additional working capital for the Company and enable it to continue funding current and new exploration projects.

<http://www.bgs.ac.uk/downloads/start.cfm?id=>

Source: <http://www.albamineralresources.com/text/news/press.html>

### **Council rejects ban on quarry tip**

Calls to ban waste tipping at the controversial Hafod Quarry, near Wrexham, have been rejected by the Borough's chief planner, Lawrence Isted. He called for safeguards for a conservation area within the site, which is a haven for great crested newts and other wildlife. About 70 people gathered at the quarry gates in the latest protest against dumping there.

Mr Isted ruled there was no case for overturning the planning permission - which was granted after two public inquiries - allowing landfill at Hafod. But after taking expert advice from ecologists, his report recommends that special "modification orders" are made to legally prevent any digging or dumping within the Special Area of Conservation.

Source: [http://news.bbc.co.uk/1/hi/wales/north\\_east/5274302.stm](http://news.bbc.co.uk/1/hi/wales/north_east/5274302.stm)

### **Analysts predict rises in UK electricity prices**



UK coal fired power station.

*Photo Copyright: BGS©NERC*

Electricity prices in the UK are expected to rise in the fourth quarter due to increased winter demand and soaring gas prices. Gas prices in absolute terms have fallen strongly over the past three to four months, partly due to the renewal of service at the Rough offshore gas storage facility, which closed in February after a platform fire.

Forward prices, though, have risen sharply, with many analysts predicting gas shortages and volatility in the coming winter. "The forward curve points to higher prices in the fourth quarter of 2006 and first quarter of 2007, simply because gas will not be available in the quantities required," according to Alistair Harris of the Energy Information Centre.

Limited storage capacity in the UK and declining North Sea production have seen gas prices rise an average of 60% in the past year, followed closely by electricity prices as gas provides around 33% of fuel for electricity generation.

Source: Metal Bulletin, 22 August 2006

## Communities and businesses to suffer from Peak District nimbyism



Quarry in the Peak District

Photo Copyright: BGS©NERC

The British Aggregates Association (BAA) has responded sharply to the draft document “*Help Shape the Future*” from the Peak District National Park Authority (PDNP). Although submissions were due by the 4th of August, the minerals industry was only alerted to its existence by a small item in the local press, seven days before the closing deadline for comments.

*BAA Secretary, Peter Huxtable, said: "Far from being an honest consultation, the PDNP make it clear that it wants to see quarrying in its Park ceased by 2011. We are at a loss to understand why the Park authorities are so against mineral extraction which has been an integral part of the culture and economy of the region for many centuries. Quarrying is directly responsible for providing so many of the distinctive features of the Park, including its buildings, and over one-third of all sites of special scientific interest (SSSIs) nationally are a direct result of quarrying."*

Sources: <http://www.british-aggregates.com/news/doc60.doc>

<http://www.peakdistrict.gov.uk/index/looking-after/helpshapethefuture.htm>