From: Gail White [gail@glidestrategic.com.au] **Sent:** Friday, 26 September 2008 2:10 PM

To: Committee, Fuel Energy (SEN)

Cc: Thyl Kint; Brockman, Slade (Sen M. Cormann)
Subject: Senate Select Committee on Fuel and Energy

Spitfire Oil Pty Ltd, a Western Australian company, wishes to bring its project - to develop new coal-to-liquid technology to produce fuel for the domestic market - to the

attention of the Senate Select Committee on Fuel and Energy.

The company is working with Curtin University in Western Australia to develop a proprietary process to convert low quality lignite to oil. The process, which is an enhancement of the proven low temperature pyrolysis coal-to-liquids process, is expected to generate much lower green house gas emissions compared with the more conventional coal gasification + Fischer-Tropsch (eg Sasol) processes used around the world.

Spitfire oil has exploration licences over lignite deposits at Salmon Gums, just north of Esperance in the south east of Western Australia. The company has recently filed a mining lease over nearly 10,000 ha and proposes to establish the lignite-to-liquid processing facility at the mine site at Salmon Gums. Spitfire Oil has also started its ERMP process.

With success in its technology development efforts, in its environmental approvals and in its funding efforts, Spitfire Oil hopes to start mining and liquid fuel production as early as the 4th quarter of 2012.

Research

The project is one third through a two to three year work program which is exploring the technological, financial and environmental feasibility.

The technology is based on a known and proven process, ie low temperature pyrolysis. This process however, whilst generally understood and proven by pilot plants, is sensitive to specific coal chemistry and subject to enhancement for commercial application. The research is required to test the technology application to WA Salmon Gums brown coal/lignite with its high salt and water content, to enhance the process by seeking catalytic effects to improve yield and efficiency and to obtain further engineering information to scale up the process for commercial application.

More information

Attached is a briefing document about the project.

For further information, please contact Spitfire Oil's CEO, Mr Thyl Kint: Level 28 AMP Building, 140 St Georges Terrace, Perth, WA 6000 PO Box Z5086 Perth WA 6831

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