

Wales set for energy revolution

Sep 2 2008 by [Robin Turner](#), Western Mail

WALES could soon have a raft of “methane millionaires” after a global energy firm announced the South Wales coalfield was saturated with the valuable gas.

It was once the miner’s deadliest enemy, causing devastating underground blasts in pit after pit and killing more than 1,000 Welsh colliers.

But yesterday, Australian-based clean coal technology firm Eden Energy opened the door for a methane-based energy supply revolution in South Wales.

After years of test drilling, the company made the first ever resource estimate from drilling for coal seam methane. And the results have been astonishing.

Perth-based Eden say the prospective recoverable resource from just one of its drilling areas (Port Talbot) could provide heat to every home in a town the size of Maesteg for the next 670 years.

Eden has a joint arrangement with Pyle-based Coastal Oil and Gas, run by Welsh businessman and energy expert Gerwyn Williams, to drill not only in Port Talbot but also in an area stretching to the Llynfi Valley above Maesteg to the North and Pencoed to the east.

Eden says the prospective recoverable methane in its Port Talbot area alone could raise 380 to 670 petajoules of methane energy.

One petajoule is equivalent to a million gigajoules and the average, well-insulated home can be heated using 50 gigajoules a year.

At today’s inflated gas prices, the value of the methane field in South Wales could run into billions of pounds.

Mr Williams, of Coastal Oil and Gas, could not comment yesterday, leaving the announcement to Eden Energy.

But a coal industry expert who has been involved in the test drilling, who did not want to be named, said Wales’ rich seam could see “methane millionaires”.

He said: “Britain has many billions of pounds worth of methane trapped in its coal seams but by far the richest carriers of methane are the seams beneath South Wales.”

Eden Energy’s executive chairman, Greg Solomon, said yesterday: “This initial estimate confirms what we have always suspected, that we are sitting on a major resource of coal seam methane at a time when prices for this commodity have never been so high. The area is also exceptionally well located, with easy access to natural gas pipelines and an unprecedented appetite for natural gas in both the British and European markets.

“There is a lot of knowledge from previous data compiled by British Gas which suggests that the gas contained in coal deposits in South Wales is up to more than twice as gassy as that from any other coal fields in the UK.

“We are immediately commencing a further review of the joint venture’s existing data from the vast British Coal mining database.

“This will be followed by drilling and testing of between six and 10 further drill holes, which should be completed within the next 6-12 months subject to rig availability.”

Coal seam methane is responsible for a third of all the gas used in Australia and the USA’s coal seam methane fields are said to be worth \$4 trillion.

Mr Solomon added: “The South Wales methane also has a composition very similar to Australian pipeline gas, which suggests that only minimal processing will be required to produce a saleable product.”

Mr Solomon said the potential for coal seam gas production from South Wales had seen several other companies apply for drilling leases in recent times with some of them expected to begin exploration this year.

Gerwyn Williams revealed in March of this year his company was looking to initially supply major industrial users, such as the Port Talbot steelworks, before pumping the rest of it into the national grid.

Drilling would be done at a series of rigs, said to be no bigger than a two-storey house. And Mr Williams said much of the pipeline network would be underground so the impact on the environment would be minimised.

Aberavon MP Hywel Francis, son of the famous miners’ leader Dai Francis, welcomed the news yesterday.

Mr Francis, chairman of the Welsh Affairs Select Committee, said: “Provided there are safeguards for the environment this new project will be a major contributor to energy production in the UK.”

Ogmore MP Huw Irranca-Davies added: “Given the geo-political climate at the moment it is fantastic news that it looks like we can produce our own energy locally.”

<http://www.walesonline.co.uk/news/wales-news/2008/09/02/wales-set-for-energy-revolution-91466-21651688/>