



## **MoU Signed For Block VI of Thar Coalfield**

5th November, 2007

# Oracle Coalfields PLC

The Board of Oracle Coalfields plc (“Oracle” or “the Company”) is delighted to announce that on 3rd November 2007, its 80% owned Pakistan subsidiary, Sindh Carbon Energy Ltd, signed a Memorandum of Understanding with the Sindh Coal Authority and the Mines & Minerals Department, Government of Sindh, for Block VI of the Thar Coalfield, District of Tharparkar, Province of Sindh, Pakistan.

The Thar Coalfield, which comprises six blocks, is believed to have a resource in excess of 175 billion tonnes of coal. It is Oracle Coalfields’ belief that Block VI has great potential for coal exploitation. The block covers 66 square kilometres of semi-arid land and lies 32 kilometres from the town of Islamkot, District of Tharparkar, Province of Sindh.

Previous investigations include regional exploration by the Geological Survey of Pakistan, and more recently a 35 borehole programme has been completed within the designated block area. Provisional indications show that there is in excess of 700 million tonnes of lignite resources focussed on a main lignite seam with a thickness of between 16 – 30 metres at a depth of less than 150 metres. The quality of the lignite coal gives a heating value of 3,250 kcal/kg with high moisture and low ash and sulphur contents.

It is the intention of Sindh Carbon Energy Ltd to commence a detailed exploration programme and thereafter complete a feasibility study, which will assess the commercial viability, with the objective being to establish a producing opencast lignite coal mine. It is planned that the exploration programme and feasibility study will be completed within the next 18 months. It is the intention that the mine will supply around 1.5 million tonnes of coal per annum to a 300 MW mine-mouth power plant, with the potential to increase coal production and generate up to 1,000 MW in the future.



Over recent years the Government of Sindh has made great progress to ensure the necessary infrastructure (i.e. roads, telecommunications, national grid etc.) for exploitation of the Thar coalfield is in place.

**SHAHRUKH KHAN, CHAIRMAN, SAID:**

“The Thar Coalfield is one of the world's largest undeveloped coal resources. The signing, therefore, of a Memorandum of Understanding with the Sindh Coal Authority and the Mines & Minerals Department, Government of Sindh, is a truly phenomenal development for Oracle Coalfields.

In line with the strategy drilling has commenced on Sindh Carbon Energy's 100 square kilometre Indus East project. This is a very exciting period of development for the Company and the signing of the MoU over block six of the Thar coalfield further cements our aim of becoming a leading producer of coal in Pakistan.”

The Directors of the Issuer accept responsibility for this announcement.

**ENQUIRIES:**

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