

Joint Statement:

Premier

The Honourable Anna Bligh

Minister for Mines and Energy

The Honourable Geoff Wilson

Sunday, August 24, 2008

SHALE OIL OFF LIMITS: BLIGH

PREMIER Anna Bligh has announced that Queensland's beautiful Whitsunday region will be placed off limits for shale oil mining.

Ms Bligh said she would not allow the environment to be put at risk while the technology for extraction of the resource was still not proven.

"Our environment must come first," said the Premier.

"That's why we are putting a 20-year moratorium on all mining activities, bulk sampling and exploration over the McFarlane deposit in the Whitsunday region.

"This stops immediate plans to dig up approximately 400,000 tonnes of rock for resource testing from this world famous landscape.

"Only one lease, supported by the previous National Party Government, currently exists to mine Shale Oil and that is in Gladstone.

"No new shale oil mines will be permitted anywhere in the State.

"Government will devote the next two years to researching whether shale oil deposits can be used in an environmentally acceptable way."

The Premier said that growth and development was vital to sustain Queensland's diverse regional economies.

"But we have to ensure that in the process we don't sacrifice what makes our regions great – the environment and lifestyle they provide," she said.

"It is time in Queensland's extraordinary transformation that we pause, draw breath and make sure we're not losing what makes our state a terrific place to live, work and raise a family.

"While the development of shale oil has potential as an energy source we will not allow it until we can be assured that it can be extracted and processed without harming the environment.

"This is particularly the case for the McFarlane deposit – 15 kilometres south of Proserpine – which is located right on the gateway to the Great Barrier Reef."

The Premier said the decision was effective immediately and would be legislated in the coming months.

Oil shale refers to sedimentary rocks that contain solid combustible organic matter called kerogen. Under a heating process, the kerogen can be decomposed to release hydrocarbons that can be captured to produce synthetic crude oil and combustible gas.

Queensland has approximately 90% of Australia's known shale oil reserves and the vast bulk are located between Bundaberg and Proserpine.

It is mined using open cut technology with high energy and water needs as well as potentially significant impacts on local habitats and ecosystems through emissions and waste water.

Minister for Mines and Energy, Mr Geoff Wilson, said small-scale demonstration plants using shale oil from the Stuart resource at Gladstone would still be allowed but only if companies can gain licences and prove their technology passes the strictest environmental standards.

"There are existing mining tenures over the Gladstone shale deposit already and those rights will remain in effect," Mr Wilson said.

"The owner of the lease at Gladstone is currently examining the commercial viability of a demonstration plant using new shale oil processing technology.

"Over the next 2 years, the government will review the technology and if it stacks up economically, technologically and environmentally we will work with industry to see if it could have a broader application further down the track.

"If the objectives of commercial feasibility and environmental acceptance can be met Queensland could eventually become a major producer of non-conventional oil to help meet national and international demand."

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