

Methane to LNG Żory Coal Mine Project

QUARTERLY PROGRESS REPORT

Reported period 1 January - 31 March 2009

Project Months no: 4-6

Executive summary

The Report serves as a summary of activities performed in months 4-6 of the Methane to LNG Żory Coal Mine Project i.e. 1st January – 31st March 2009.

The tasks planned for that period were primarily aimed at site preparation for the drilling works and drilling works performance. Drilling of a new research borehole as well as development of a Test Plan as a guidance document for performing methane capture and the characteristics of the obtainable methane resources should be considered as the main products of the activities achieved in the Project reported period. Equipment used for the drilling works and technical description is presented together with photos taken at the drilling site.

Initial phase of the study concerning the analysis of the LNG market in Poland, fuel prices, market segmentation, structure of LNG buyers is also described. In the part of the report relating to environmental issues the result of studies concerning the impact of the drilling works of the research borehole on the environment is presented.

The report presents also the summary of the project management activities as well as information on the budget used so far.