



Industry news : December 2005 / January 2006

- High Court halts Welsh opencast mine plans
- Quarrying ordered to stop at Longstone Edge
- Marathon Oil fails to discover gas off the Welsh coast
- Concern over commodity prices
- North Sea oil tax rise
- Production finishes at Orgreave opencast coal site
- Approval to extend super pit in North Yorkshire
- UK BPB accepts bid from French firm
- Wrexham quarry expansion
- Pre-Budget Report re-ignites Aggregates Levy debate
- The British Geological Survey releases updated Mineral Planning Factsheets
- Drilling update at Parys Mountain
- Alba Mineral Resources Scottish drilling results

High Court halts Welsh opencast mine plans



Processing of coal in the UK
Photo Copyright: BGS©NERC

The High Court has overturned a Welsh Assembly planning decision to allow an opencast mine in Methyr Tydfil. The site could potentially become one of the largest opencast coal operations in Europe, producing more than 10 million tonnes of coal over 15 years. The development would have renovated a derelict site and created some 200 jobs. Local people were strongly opposed to the proposed development, citing anticipated noise, dust and vibration problems. In a statement, the solicitor for the campaigners said "It's time now for a full review, the National Assembly have been delaying six years by trying to get sufficient or adequate guidance for opencast coal extraction and guidance is desperately needed". The Welsh Assembly is to appeal against the High Court ruling.

Source: <http://news.bbc.co.uk/1/hi/wales/4629330.stm>

Quarrying ordered to stop at Longstone Edge



Derbyshire quarry

Photo Copyright: BGS©NERC

The Peak District National Park Authority has ordered MMC Mineral Processing to stop mining at Blackdale Quarry on Longstone Edge. The company maintains that their activities are in accord with the terms of the existing planning consent. Even though a stop notice has been served, the company will be able to continue extracting vein minerals and limestone, from a small area of the site. The Authority claims considerably more limestone is now being extracted from the site than is allowed in the planning consent, which only allows for the extraction of limestone in the course of working other minerals. The Peak Authority claims the current working is causing irreversible damage to the landscape.

Source: <http://www.peakdistrict.gov.uk/index/news/news-display-page.htm?id=11406>

Marathon Oil fails to discover gas off the Welsh coast



Offshore platform

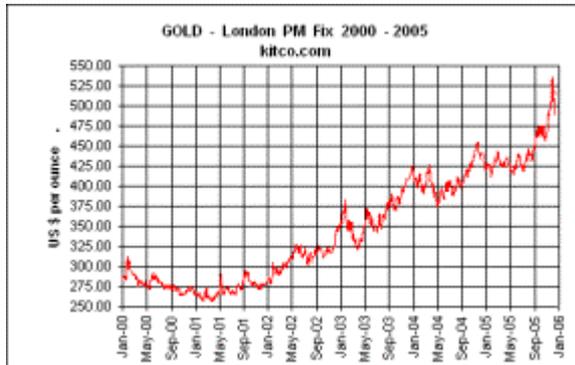
Photo Copyright: BGS©NERC

US-based Marathon Oil have drilled an exploration well in their Dragon Field, about 21 miles west of St David's Head in south Wales, but have reportedly failed to discover any hydrocarbons. The Dragon Field was last drilled in 1994, however, increasing energy prices have led to a reappraisal of the field. Environmental campaigners, who were strongly

opposed to the drilling, commented “this now should be an opportunity to look at alternative sources of clean energy...”.

Source: http://news.bbc.co.uk/1/hi/wales/south_west/4627304.stm

Concern over commodity prices



Source : www.kitco.com

Commodity prices soared during 2005, reflecting increasing scarcity and massive demand from emerging economies such as China and India. Brent Crude is currently trading at around US\$60 a barrel, up from around US\$25-30 a barrel 18 months ago. Other commodities, such as gold, copper and platinum, have also risen strongly and many analysts speculate that the boom is far from over. However, whilst commodity prices have seen record profits for some energy and mineral resource companies, UK Chancellor Gordon Brown, in his Pre-Budget Report, blamed high oil prices for a slowdown in economic growth. Energy supplies are increasingly being viewed as a security issue, and the British Government is currently looking at nuclear power as a possible alternative to reliance on importing energy and energy minerals from politically unstable regions.

Source: <http://news.bbc.co.uk/1/hi/business/4512866.stm>

North Sea oil tax rise

As a result of record crude oil prices on world markets the UK Chancellor of the Exchequer, Gordon Brown, will increase the tax levied on North Sea oil producers, effective from 1 st February 2006, from 10% to 20%. Mr Brown defended the move by saying “returns to the North Sea are now nearly 40% on capital, compared with ordinary returns on capital of 13%.” However, the Chancellor will also introduce new incentives for exploration and development of the “the most difficult fields”. The oil company Shell has responded to the increased tax on profits by cutting its plans for North Sea exploration. A Shell spokesperson said “We are disappointed by the government's recent decision and we are continuing to evaluate the impact that the proposals might have on our business”.

Sources: <http://news.bbc.co.uk/1/hi/business/4500540.stm>

<http://news.bbc.co.uk/1/hi/scotland/4537660.stm>

Production finishes at Orgreave opencast coal site



Orgreave opencast site, near Rotherham

Photo Copyright: BGS©NERC

Production has ended at Orgreave opencast coal pit in South Yorkshire due to the depletion of economically extractable coal reserves. The site, operated by UK Coal, has been in production for the last 10 years and has extracted over 5 million tonnes of coal. The site restoration process has already started, with a large volume of contaminated material being processed and made ready for the development of a brown field site. Half of the land will be used for new homes, whilst the remaining area will be turned into amenity space and lakes.

Source: <http://www.ukcoal.com/>

Approval to extend super pit in North Yorkshire

Plans by UK Coal to extend the Kellingley colliery super pit, in the Great Heck area of North Yorkshire have been approved. Local residents originally expressed concern at the plans, believing subsidence could affect their homes. To address the issue UK Coal revised its original planning application and will now recover 5 million tonnes of coal from the new area during the next 6 years. UK Coal commented "It's good for the workforce and our customers who have a reliable source (of coal) on their doorsteps."

Source: http://news.bbc.co.uk/1/hi/england/north_yorkshire/4642242.stm

UK BPB accepts bid from French firm



Delivery of a trainload of synthetic gypsum

Photo Copyright: BGS©NERC

UK gypsum producer and plasterboard manufacturer BPB has accepted a takeover offer from the French company Saint-Gobain. Saint-Gobain launched a hostile takeover bid of BPB, but BPB originally rejected all bids and strongly defended their position. However, in

<http://www.bgs.ac.uk/downloads/start.cfm?id=>

November the Directors of BPB unanimously recommended that shareholders should accept Saint-Gobain's latest offer of 775p per share.

Source: <http://www.bpb.com/>

Wrexham quarry expansion

Planners have recommended that a planned large extension to the Tarmac-owned Borrás Quarry, near Wrexham, be approved. Tarmac plans to extract more than 10 million tonnes of sand and gravel from the site, which has been continuously quarried since the 1970s. Local concerns have been raised about the close proximity of the operation to a number of Sites of Special Scientific Interest. Tarmac plans to work the site in a number of phases, eventually returning the area to agricultural land and creating a country park.

Sources: http://news.bbc.co.uk/1/hi/wales/north_east/4498654.stm

http://www.wrexham.gov.uk/english/planning_portal/plan_apps/borras_quarry.htm

Pre-Budget Report re-ignites Aggregates Levy debate



Sand production in UK

Photo Copyright: BGS©NERC

The rate of the Aggregates Levy has been frozen for another year. However, the UK Chancellor in his Pre-Budget Report has asked the aggregates industry to continue to present evidence to counter either the Levy or any potential future increase. Government documentation continues to insist that the Levy is achieving its environmental objectives. In contrast, The Quarry Products Association (QPA) in a recent statement said “the Aggregates Levy has proved to be an environmentally ineffective measure. It has not contributed to minimising the operational environmental impacts of aggregates supply, rather, the operational impact of the industry has reduced significantly in recent years due to a combination of improving operational practices and techniques, high quality restoration of sites, and changing regulations and legislation.” The QPA also highlight that the Levy has had little effect on increasing the use of recycled materials.

Source: http://www.qpa.org/n_pr2005.htm

The British Geological Survey releases updated Mineral Planning Factsheets



The British Geological Survey has updated a series of Mineral Planning Factsheets that were originally produced for the Office of the Deputy Prime Minister. The series of 21 factsheets provides information on the supply of specific minerals that are of economic importance to Britain. They are primarily intended to inform spatial and land-use planning, but will be of value to all those interested in the extraction of minerals in the UK. The factsheets have been updated and extended to cover the entire UK, under the research project 'ODPM-BGS Joint Minerals Programme'. The updated factsheets are available for free download from www.mineralsuk.com.

Source: <http://www.bgs.ac.uk/mineralsuk/planning/industrial/home.html>

Drilling update at Parys Mountain

London-listed Anglesey Mining plc, who are exploring at their Parys Mountain property in Anglesey, report that recent drilling has intersected 20 metres of mineralisation at the Engine Zone at a depth of 485 m. This zone includes an interval of 17.7 metres with an average grade of over 10.3% combined copper, zinc and lead. Anglesey commenced drilling at the property in August 2005. Previous work had defined a resource of 6.5 million tonnes, with a combined average grade of over 10% zinc, copper and lead.

Source: <http://www.angleseymining.co.uk/>

Alba Mineral Resources Scottish drilling results



Drilling on the Arthrath project
Photo Copyright: BGS©NERC

<http://www.bgs.ac.uk/downloads/start.cfm?id=>

Alba Mineral Resource plc, who are currently working on a number of gold and nickel projects in Scotland and Ireland, have released additional drilling results from their Arthrath nickel-copper-PGE project in Scotland. The third hole of the current verification drilling programme reportedly intersected “extensive disseminated magmatic nickel-copper sulphide mineralization”, returning 78.6 metres @ 0.20% Ni and 0.18% Cu. Alba's Chairman, Lance O'Neill, commented, “These results are undoubtedly encouraging... Alba will now focus on identifying zones of massive sulphide at depth and lateral to the current drilling...”.

Source: <http://www.albamineralresources.com>