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## Sasol earmarks ZAR 4.5 billion for new Mpumalanga coal mine

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Mining Weekly cited Mr Benny Mokaba executive director responsible for the energy businesses in South Africa as saying that Petrochemicals Company Sasol was comfortable that it would have the required coal reserves for the various phases of its Secunda Growth Program.

Mr Mokaba said that the firm was aiming to create a new mine, the Thubelisha mine in Secunda, which would assist in catering for the coal requirements of the planned growth program expansions. The Thubelisha project, for which ZAR 4.5 billion in capital expenditure had been allocated, was currently at a feasibility study stage.

Sasol, which uses coal and gas to make liquid fuels, is busy with a 3% expansion at its synfuels plant in Secunda, which is a 1% reduction from its previous planning, as the company had decided to change the scope of the expansion. It would now use this additional natural gas supply to increase electricity production at the plant.

The phase two project, which would expand capacity at the plant by a further 16%, was currently still at a pre feasibility stage.

In October, Sasol's mining division reported that it would spend ZAR 6 billion on the development of two new mines in the Secunda area, namely Thubelisha, formerly called Rooipoort and Impumulelo, formerly called Carmona.

Mr Mokaba said that Sasol had coal reserves in the Secunda area that were sufficient to supply the needs of the growing Sasol Synfuels plant for the next 35 years plus. Meanwhile, the mining division had increased its operating profit for the six months ended December 31st 2008 by 154% to ZAR 1.43 billion, compared with ZAR 565 million for the six months ended December 2007.

Mr Christine Ramon CFO of Sasol said that this increase was mainly as a result of higher coal export US dollar sales prices achieved during the six months.

(Sourced from [www.miningweekly.com](http://www.miningweekly.com))

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