



Coal Energy S.A. – opening of coal waste processing plant Prepodobnih Antoniia and Feodosiia of Kievo-Pechersk (Snezhnyanskaya-2 beneficiation plant)

New perspectives in coal waste processing

On October 19, 2012 the new state-of-the-art processing plant is commissioned, start-up operations have already started and the first saleable coal has been received. The facility is able to process 1.4 mln tons of coal waste p.a. compared to 1.2 mln tons in the previous plant and is assembled from separate machinery blocks flexible for further transportation to other coal waste processing sites.

Location and planned output

Construction works started in spring 2012. Coal concentrate of “A” grade will be processed and beneficiated on the plant with expected monthly output of 20-30 thousand tons.

The new facility is situated in the direct vicinity of three coal waste piles, directly at the largest waste pile. The coal waste base for processing in direct proximity of the plant is estimated at 7.2 mln tons. Moreover in further perspective the company also possesses around 25.6 mln tons of waste coal from own coal production.



New processing plant construction progress

Technology and environment

Environment harmless technologies excluding chemically adverse processes will be applied during the production process. The production process also implements closed hydro-middling cycle without discharge of industrial water into the environment. The applied technology is expected to reduce the dust pollution by 6.4 tones p.a. together with reduction of greenhouse gas (carbon dioxide) and other harmful emissions (hydrogen sulfide, sulfur dioxide, nitrogen dioxide) in case of spontaneous combustion. The ERU's amount to be received from coal waste processing is estimated at 39-58 thousand tons per month.

"Success of the coal producing enterprises depends among other factors on united work of management, employees, on technical conditions as well as from the social factors. Important issue for us is the social development of the company's business locations significant component of which is creating favorable ecological conditions there" - says Viktor Vyshnevetsky, Coal Energy CEO.

"Snezhnyanskaya #2 is brand new and very modern facility which allows us to provide more attractive product in terms of ecology issues. Additionally investment in coal waste processing plant Prepodobnih Antoniia and Feodosiia of Kievo-Pechersk is a part of our long term project to support development of coal fuelled energy production in Ukraine" – he added.

Coal Energy introduces further modern mining and waste management recycling technologies. Currently the Company is in the process of negotiating a corporate loan with the EBRD aimed at financing waste coal recycling operations, the construction of beneficiation facilities at Svyatoy Matrony Moskovskoy coking coal mine (former CwAL LE Novodzerzhynskaya mine) and the mechanisation of its Chapaeva mine. These projects passed the structure review and are pending the final review, expected end November 2012. The maximum amount to be granted is 70 mln USD.

"One of our top priorities is sustainable development. We must not neglect ecology issues as for years coal was perceived as a "dirty fuel". Coal is of strategic importance to Ukraine hence we need to foster clean coal technologies" – explains Viktor Vyshnevetsky.



Processing plant Prepodobnih Antoniia and Feodosiia of Kievo-Pechersk

History of construction

Activities in the field of processing coal waste piles have been started in 2005, originally at Snezhnyanskaya #1 beneficiation plant. The company processes coal waste dumps into the salable coal concentrate and moreover contributes to reduction of greenhouse gas and other harmful emissions.

Since 2005 four coal waste piles (more than 2.9 mln m³ equal to 5.5 mln tones) have been processed and beneficiated. The company used environment friendly beneficiation method without using chemically hazardous substances. Land area rehabilitated for local usage comprises 23.6 ha.

Through participation in the Joint Implementation scheme the company managed to sell 388.2 thousand tons of Authorised Allowance Units (AAUs) and 283 thousand tones of Emission Reduction Units (ERUs) in the period FY2005-FY2012.

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Coal Energy Group is third largest private coal producer in Ukraine measured by reserves and fourth in terms of production output. All of its production sites comprising 10 mines, coal beneficiation plant and waste dump processing plant are located in the heart of Donbas, the largest Ukrainian coal basin of high quality coal. Favourable coal mix of thermal and coking coal allows the Group to secure sustainable demand and generate high margins. Coal Energy is listed on Warsaw Stock Exchange since August 2011.

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