



## Coal industry and companies

**Advis.ru, 5.04.2006**

### **LG shows interest in Yakutia coal**

LG, Korea, has shown interest in acquisition of Yakutia's stake in OJSC Yakutugol and OJSC Elgaugol. Korea is willing to import around 10 million tons of coal. RZhD that holds a stake in Elgaugol, is willing to sell. Yakutia is the majority shareholder in the deposit and is also planning to sell its holdings. Meanwhile, the plan is to merge the two deposits and the two companies - Yakutugol and Elgaugol. Neryungry (Yakutugol) production has been declining and in 10 year is likely to drop from 20 to 10-15 million tons of coal; Elginskoye production is, however, on the increase and, thus, the deposits can make up for one another. The deal is being structure so that the sale occurs in the two companies simultaneously. Thus, the owner will get his stake in the two deposits and the opportunity to switch from Elginskoye deposit in the event of depletion.

**Gudok, 5.04.2006**

### **Belon supports rationalization**

Siberian coal producers are implementing a project of rational use of steaming coal. The project has been developed within the framework of Belon investment program. It provides for construction of a self-sufficient industry and energy complex on the basis of Listvyazhnaya Mine in Kemerovo Oblast: a concentration plant and a mini-power plant of 25 MW that uses the promising water and coal slurry. By 2008 Listvyazhnaya Mine is to increase its production volume from the current 2 to 6 million tons per annum, while by 2007 Chertinskaya mine is to increase production from 700 thousand to 1.5 million tons per annum. Transport infrastructure will be

developed to support this production growth: 5 railway lines were installed at Inya marshalling station, with each capable of handling a 70-car train. Another line suitable for a 100-car train is planned.

The concentration plant will be equipped with modern German-made coal processing equipment. Low-ash product will be shipped to the Russian and foreign consumers, while concentration waste will be incinerated at a small power plant. The plant's capacity will be sufficient to ensure power supply for the mine, plant and administrative complex.

**IA Regnum, 05.04.2006**

### **OJSC Zarechnaya Mine is to expand**

OJSC Zarechnaya Mine is willing to obtain licenses for the Ivanovsky and Serafimovsky sites in Kemerovo Oblast. These licenses will be auctioned this year and in 2007.

Ivanovsky site that contains coking coal reserves is located in Belovsky District. Meanwhile, a significant part of the reserves is represented by thin, less than 90 cm bed seams and is, thus, assigned to the substandard reserves category. Sibir-Ugol coal company (Belovo, Kemerovo Oblast) owned by OJSC Belon plans to participate in development of these sites together with Zarechnaya Mine as the bulk of the sites is located in the vicinity of Belovskaya coal concentration plant.

Serafimovsky site that contains steaming and coking "G" grade coal reserves of 160-170 million tons is located in Promyshlennovsky District. It is expected that the site will be developed in conjunction with the Sibconcord finance and industry alliance that currently specializes in cement production, heavy engineering and chemical industry.

## Equipment and safety

**IA Regnum, 5.04.2006**

### **Coal companies' investment in Kuzbass**

Promuglesbyt is to invest RUR 800 million in upgrading of its production facilities in 2006. The company has also allocated RUR 28 million for national projects: RUR 26 million for "Zhilye" ("Housing") Project, including RUR 15 million for demolition of dilapidated houses in Kiselyovsk, and RUR 2 million to develop "Obrazovanie" ("Education") Project.

The company comprises Kolmogorovskaya-2 and Inskoy mines.

OJSC Zarechnaya Mine (Polysaev, Kemerovo Oblast) is to invest RUR 2.1 billion in Kuzbass coal industry and RUR 380 million in implementation of the priority national projects within the area. Furthermore, in 2006 the coal company intends to invest RUR 166 million in industrial safety, which is three times the last year's amount.

The mine produces over 4 million tons of coal per year.

### **RZhD-Partner, 5.04.2006**

#### **Ukraine: transit is increasing, export is declining**

According to the State Administration of the Rail Transport of Ukraine, in March 2006 rail traffic to the sea trading ports was 6.918 million tons (+2.3% Y-o-Y).

March transit volume includes relative coal transit growth (+28.4% to 1.155 million).

In March, rail export traffic to the ports decreased due to lower black coal volumes (-26% against March 2005 to 395.9 thousand tons).

### **Novokuznetsk Information Resource, 5.04. 2006**

#### **Compliance with the plans and loadings growth**

Kuzbass railways have successfully completed the first month of spring with the targets achieved and increasing loadings higher than in March last year. Average daily loadings reached 604.8 thousand tons, which is 6 higher than the last year's volumes. Coal accounted for the lion's share of total loadings. Daily, Kuzbass railroads stations forwarded to the recipients 7,353 cargo-laden railcars on average.

The following stations returned the best results for the month of March: Yerunakovo, where average daily loading rate was 1,178 railcars; Mezhdurechensk that was loading 604 railcars a day; Meret with 522 railcars, Novokuznetsk-Severny with 414 railcars; Belovo and Terentievskaya with over 300 railcars per day.