

Media Release

QER Concludes Demonstration Plant Project – Seeks Investment Partners

Queensland Energy Resources (QER) has announced today that it will conclude its current technology demonstration program early in 2014 and is seeking partners to progress the development of a commercial oil shale project.

QER Chief Executive Pearce Bowman said that operation of the technology demonstration plant has been very successful, and that sufficient data is now available to support the case for a commercial project.

There are 50 people employed at the plant, and Mr Bowman said they would be leaving progressively during the first part of next year ahead of the facility being placed on care and maintenance.

“We have built an excellent team and I will be personally very sorry to say farewell to such good people,” Mr Bowman said. “I am very grateful for their efforts and achievements in demonstrating that oil shale can be developed in harmony with the community and environment.

“Our plant has not only operated extremely well for more than two years, it has done so without a single complaint from the local community,” he said.

QER commenced a two year development program at the Gladstone demonstration plant in October 2011, and has produced high quality ultra-low sulphur diesel and aviation fuel for testing and certification.

“Over the past nine years, QER has invested very substantial financial resources in Queensland, underlining our investors’ belief in the strategic importance of the State’s oil shale resources, and making a significant contribution to the Queensland economy,” Mr Bowman said.

“We have completed this phase of our work associated with development of a commercial-scale plant, and the immense amount of proprietary data and understanding that we have gained will stand the oil shale industry in good stead in the future,” he said.

Earlier this year, the Queensland Government finalised a four-year review of the industry, highlighting an environmental audit of the project as being ‘exemplary’.

“QER is grateful for the State Government’s willingness to recognise the potential importance and environmental compatibility of oil shale, and to encourage the development of this new industry,” Mr Bowman said.

Mr Bowman said QER also appreciated the strong support the company has received from the local Gladstone community. “QER has been an active part of the Gladstone community for over nine years and I hope it continues to be in the future” he said.



Mr Bowman said that the next phase of engineering work will depend on QER identifying an investment partner in the near future.

“We are engaging in discussions with potential investors. We hope to find a partner who shares our view that the current Brent oil price of almost US\$110/barrel represents a reality about oil supplies that is likely to persist, in contrast to the substantial oil price decline currently assumed by global commodity markets.”

“We also recognize that capital markets are currently tight, and that project costs in Australia remain high compared to similar projects overseas,” Mr Bowman said.

“While we would dearly love to move straight into the next stage of the project with the current team, it may be that these current conditions will delay the securing of project financing for some time.”

ENDS 26 November 2013

For More Information

John Hewitt
Manager Corporate Affairs

S. (07) 3222 0600
W. (07) 3222 0686
M. 0448 819 205
E. jhewitt@qer.com.au

QER

Established in 2004, QER is a privately-owned, Brisbane-based energy company which holds mining and other tenement rights to several of Australia's largest oil shale deposits.

