Oracle Coalfields Plc is a UK Coal development Company producing lignite coal resources in South East Pakistan. The Project will operate through an open-pit mine supplying a 600MW mine-mouth power plant.

The Company aims to develop Pakistan’s largest coal mining and power plant project in the private sector to help meet the country’s shortfall in electricity generation.

The project has been included in the China-Pakistan Economic Corridor (CPEC) which grants Oracle the ability to request access to the $46bn pool of funding.

The Pakistani Government is allowing a 20% IRR (in US$ terms) on new projects. This 20% IRR applies to both the mine and the power station.

World class JORC resource of 1.4bn tonnes coal

Thar Coalfield

Thar Coalfield is located 380km from Karachi and covers a total area of 9,100 square km with a total lignite coal resources in excess of 175bn tonnes.

It is in close proximity to established infrastructure, with an ongoing development of road and power networks in the region.

The quality of lignite coal gives an average heating value of 3,182 kcal/kg, with high moisture, low ash and sulphur content of less than 1%.

The depth of the coal seam makes Block VI amenable to opencast mining.

Block VI Thar Coalfield has a JORC calculated resource of 529 million tonnes covering an area of 20km² under a two phased programme.

Next steps:

The Company is finalising details of the Engineering Procurement and Construction contracts with Chinese partners for both the mine and the power plant.

From 2016-2019 work will proceed to open up the mine, in parallel with the construction of the power plant. Coal production and delivery of electricity should commence in 2019.
Pakistan

• The Government is promoting the use of Domestic coal from Thar as an alternative to oil and gas.
• There is an acute power shortage in the country.
• Domestic coal is to become increasingly important as a source of cheap energy for Pakistan as population continues to grow at a rapid rate.
• In 2008-2009 less than 1% of the power sector was coal, this is expected to rise to 17% by 2025.
• The Pakistani Government is allowing a 20% IRR (in US$ terms) on new projects. This 20% IRR applies to both the mine and the power station.

China-Pakistan Economic Corridor (CPEC)

• The CPEC has been set up to improve economic ties between China and Pakistan, where China intends to invest $46 billion to support infrastructure and energy projects in Pakistan.
• It will not only transform Pakistan’s economy but provide China with open trade routes to the Indian Ocean.
• Oracle is one of the few selected projects able to apply for this funding.

Financing risks are reduced through engaging with well-financed parties, to provide both debt and equity financing.