

Extraction of lignite coal deposits begins in Thar's Block-I

MITHI: Sino-Sindh Resources Ltd (SSRL) said on Monday it successfully extracted the first shovel of lignite coal at Block 1 of the Thar coalfields near Islamkot Town of Tharparkar, Sindh.

Block 1 boasts lignite coal deposits of over three billion tonnes (equivalent to over 5bn barrels of crude oil) with an annual output of 7.8 million tonnes.

SSRL, whose majority shareholder is Shanghai Electric Group, was granted a mining lease on May 24, 2012, and the project was included in the Joint Energy Working Group by the governments of Pakistan and China. As soon as the two governments officially announced the China-Pakistan Economic Corridor, the Thar coal project was included in it as an early-harvest project.

After back-to-back meetings between SSRL and the Energy Department of the government of Sindh, the first excavation took place on Jan 23, 2019, for the development of the largest open-pit coal mine in Block 1.

According to the Thar Coal Energy Board, SSRL and Shanghai Electric Group have already signed a coal supply agreement for power generation through two mine-mouth power plants of 660 megawatt each.

Financial close of the project was achieved on Dec 31, 2019. Soon after the first excavation, the SSRL management started importing mining equipment from China and by July 2020 all the required equipment was at the project site.

Speaking to *Dawn*, Ministry of Energy spokesperson Muzzammil Aslam said both majority (Shanghai Electric Group) and minority (SSRL) investors in Block 1 are Chinese. Unlike Block 2 where the Sindh Government owns a stake of 54.7 per cent, Block I has no direct shareholding by the provincial government, he said.

“Shanghai Electric’s power plant will achieve financial close within this year. It’s a big development because the 1,320MW plant will run on indigenous fuel and produce affordable electricity,” Mr Aslam added.

SSRL officials said the development of the indigenous resource base at Thar will help Pakistan achieve its long-cherished goal of energy security and economic sovereignty.

Chief Minister Syed Murad Ali Shah also congratulated the officials and workers of the different companies engaged in the mining in the block and termed it a great success of the joint efforts.

Mr. Shah said it was the dream of Benazir Bhutto to extract Thar coal reserves and bring progress and prosperity to the desert region and other parts of the country.

He said that with the new achievement these companies would soon start generating electricity through the power plants already installed in the block.