

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:4103  
ANSWERED ON:18.12.2012  
EXTRACTION OF OIL FROM COAL  
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**Will the Minister of COAL be pleased to state:**

- (a) whether the Union Government has any proposal to extract oil from coal;
- (b) if so, the details thereof including the techniques experimented for the purpose;
- (c) whether some private companies have also shown interest to set up projects in collaboration with foreign companies to produce oil from coal;
- (d) if so, the details thereof; and
- (e) the time by which the oil extracted from coal is likely to be available in the country?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL)

(a) to (d): Production of syn-gas obtained through coal gasification (underground and surface) and coal liquefaction was notified as an end-use for coal mining on 12.07.2007 under the Coal Mines (Nationalisation) Act, 1973. Accordingly, a company engaged in production of syn-gas obtained through coal gasification (underground and surface) and coal liquefaction, can do coal mining in India for captive consumption only. Ministry of Coal has allocated North of Arkhapal Srirampur coal block in Talcher in Odisha and Ramchandi Promotional Block also in the State of Odisha with estimated geological reserves of about 1500 million tonne each for coal to liquid (CTL) projects to M/s Strategic Energy Technology System Limited (SETSL) and M/s Jindal Steel & Power Limited respectively.

As per the information furnished by the allocatee companies, LURGI of Germany is providing CTL technology to M/s Jindal Steel and Power Limited through its India subsidiary viz Lurgi India Company Limited and Sasol Group of South Africa is assisting M/s SETSL.

(e): As per the terms of allocation, prospecting/exploration and preparation of Geological Report (GR) have to be completed within 27 months from the date of allocation. Production from captive coal block shall commence within 36 months (42 months in case the area falls in forest land) in case of open cast mines and in 48 months (54 months in case the area falls in forest land) in case of underground mine, from the date of preparation of geological report.