

STATUS OF CBM/CMM OWNERSHIP ISSUES IN MONGOLIA

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Ulaanbaatar**

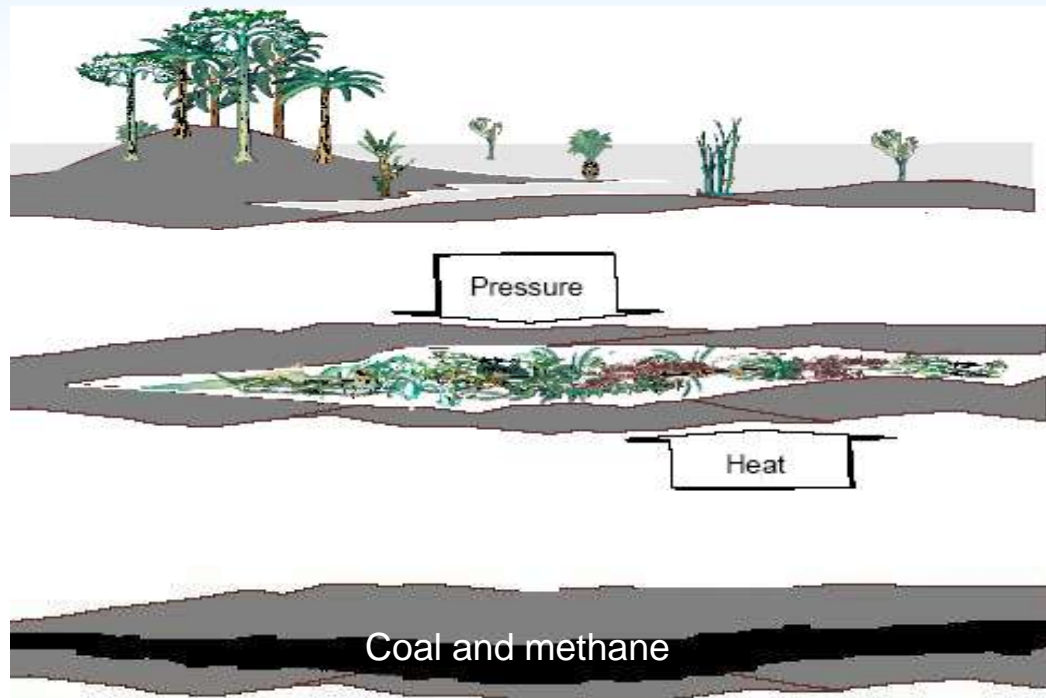
LEGAL CONDITION FOR CBM/CMM

Terms of Coal Bed Methane

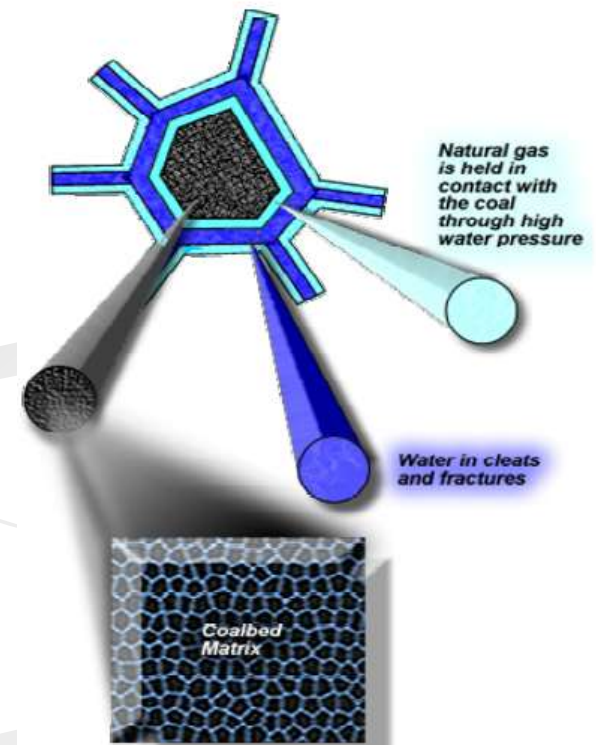
- **CBM** (Coal Bed Methane)
- **CMM** (Coal Mine Methane)
- ***CBM/CMM are a clean-burning energy source.***
- ***Methane is the major component of natural gas.***
- ***Methane is greenhouse gas.***

CBM (Coal Bed Methane)

Methane gas extracted from coal seam



Coal formation



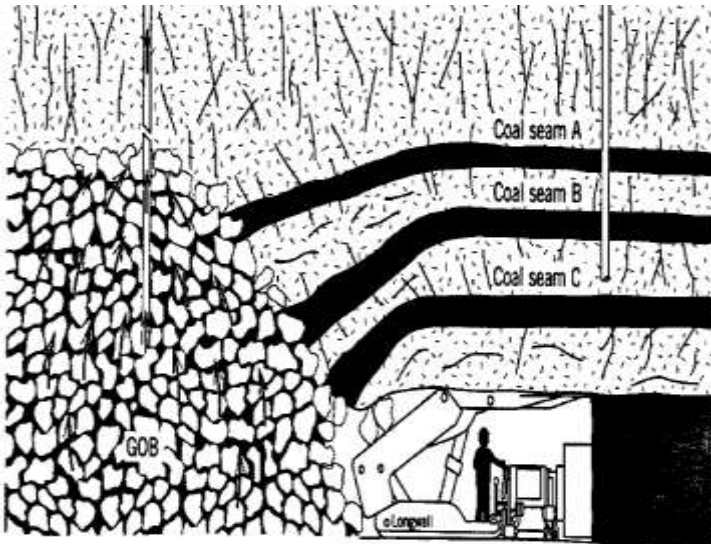
Present legalization

CONSTITUTION OF MONGOLIA

Article 6

“Bowels of the earth and mineral resources in Mongolia, are owned by the state”

CMM (Coal Mine Methane)
Methane collected at the process of coal mining



underground coal mine

open-cast coal mine

Present legalization

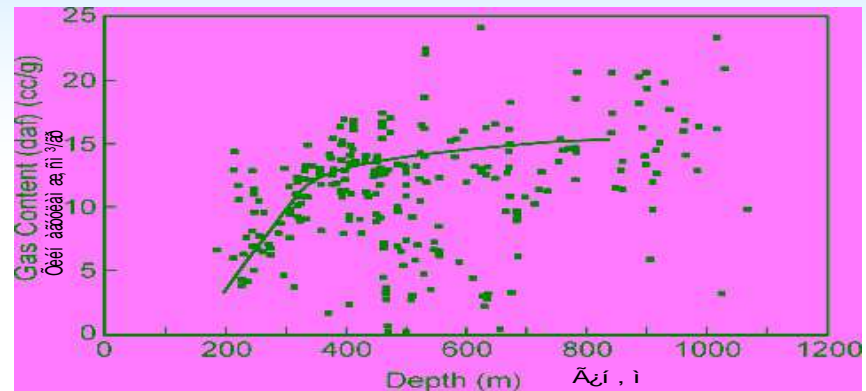
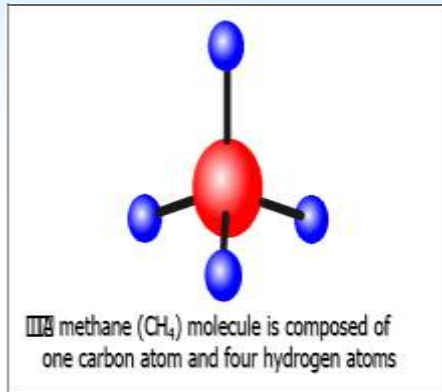
-Coal Exploration and Mining activity
by **Law of Mineral resource. /2006/**

-Royalty of coal for domestic users have 2.5
percents and for other 5%

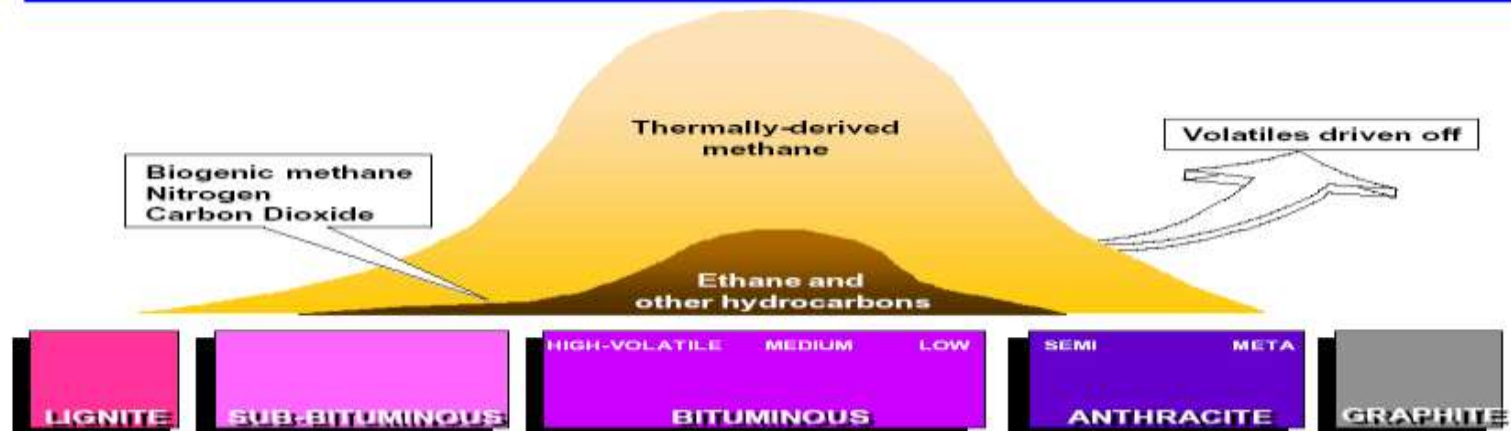
-Article 3.1: This law doesn't regulate any
natural gas and gas activity

Ownership of carbon-based mineral rights is
often divided between oil and mineral resource.

Methane degree of coal mine – coal mine safety



Composition change with coal rank and coal depth

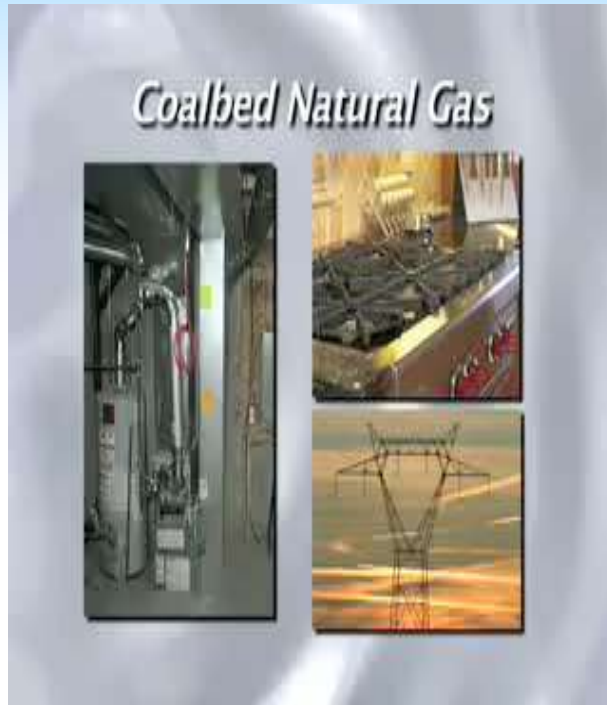


Present legalization

-Gas exploration and gas activity have regulate by **Law of Oil**, that must be a **Production Sharing Agreement**

-The tax act - Non customs tax of gaseous fuel and gas equipment . Utilization projects with approved gas distributions receive preferential state policies on the **VAT**.

CBM/CMM are a clean-burning energy source.



*Can use for:
Heating boiler
Power plant
Car fuel*



*Cooking and house heating
Feedstock chemical
For heavy industry*

Methane is the major component of natural gas.

**CBM/CMM can be use engineering system of natural gas.
Pipeline , CNG, LNG**

Acts for development clean energy

- To develop gas production and gas utilization.
- To change coal burning sources into clean sources.
- To develop clean energy

- Program of Mongolian Government 2008-2012
- Ikh Khural **Parliament Resolution #46, 2007**, for reduce air pollution
- Ikh Khural **Parliament Resolution # 36, 2010**, for new development
- Resolution **#218 of the Government of MGL, 2007**, for reduce air pollution
- Resolution **of the Government of MGL, 2010**, for new industrialization

Project of gas industry and clean energy sector can be develop by **concession.**

Methane is greenhouse gas.

Environment acts:

- **“The law of payment for air”** , 2010

- **”The law of air”** 2010

Coal mine must be pay 1-2 tugrug
per each ton coal

**In Mongolia established
CDM bureau**

Future plans

- To increase investment and expedite exploration and evaluation works in coal basins
- Within year 2009-2012 to start the evaluation and appraisal exploration of coal bed methane gas, establish rough estimates of the reserves, and define new CBM blocks in Mongolia

Future plans

- To improve the legal environment of the petroleum and coal sector through possible amendment to the relevant laws and regulations
- To develop gas sector
- To support green projects, such as CMM projects

**Thank you
for attention**

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