STATUS OF CBM/CMM OWNERSHIP ISSUES IN MONGOLIA

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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.

LEGAL CONDITION FOR CBM/CMM
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
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 chance 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