



An exciting liquid fuels and  
electricity generation project

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AUSTRALIA

March 2009



# FuturGas Project Update

## Coal-to-Liquids (CTL) with integrated power generation Project

### Market

- Addresses domestic oil trade deficit and increasing prices

### Technology

- Established CTL technology
- Technology assessment agreement with University of Adelaide

### Resource

- 578 Mt JORC compliant resource
- Total evaluation investment to date ~\$50 million in today's dollars
- Location close to major infrastructure and access to market

### Financial

- Production of 10,000 barrels per day of liquid fuels
- Projected annual revenues of \$600 million
- Delivers +20% IRR with upside potential

*attractive development in emerging market*



## Situation Analysis

### FuturGas Project

- Project fundamentals still strong
- Continued commitment to project
- National and international search for investment partner

### Market Conditions

- Continued global unrest in financial markets
- Difficult market to attract investment in green field projects

### Strategy

- Actively look for investment partner
- Conserve company funds and proceed with minimal expenditure
- Condense project focus
- Continue with key technical work streams

*continued commitment to the project*



## Strategy Implementation

### November 2008

- Defer project Prefeasibility Study

### December 2008

- Minimise external expenditure

### January 2009

- Next phase of gasification testing commenced
- Reduction in staff numbers

### March 2009

- Next phase of groundwater modelling commenced
- Project management oversight relocated to Perth

*progressing at reduced cost basis*



# FuturGas Project Management

**May 2009**

**Don Poynton**

Manager Australian Operations  
Strike Oil

## **Responsibilities**

- Overall project management
- Community Consultation Group
- Gasification Program
- Groundwater Modelling

*new management oversight*



## Adelaide Development Team



**Dr. Peter Mullinger**  
Technical Director

With 40 years involvement in the combustion and heat transfer businesses, Peter is a specialist in all aspects of industrial combustion systems, fuels handling and emission reduction. He is also a respected authority on research into lignite.



**Chris Mroczek**  
Mining  
Development  
Manager

A mining and geoscience professional with 25 years experience in mining, geology, ore reserve estimation and finance. Chris was formerly Technical Services Manager with Perilya Broken Hill. He has held senior roles with other companies including, Technical Services Manager, Chief Mine Geologist and Principal Geologist.

*progressing testing and modelling*



# FuturGas Gasification Program



Phase 1 testing to characterise lignite complete  
Final report near completion

## January 2009

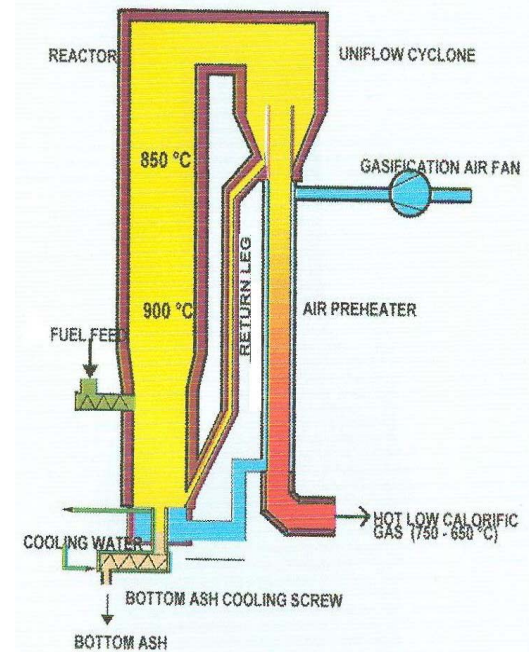
- Test rig modified and commissioned
- Gasification testing commenced

## February 2009

- Synthetic gas produced

## March – June 2009

- Further testing to confirm gasifier continuous operation
- Complete analysis of preferred gasifier



Circulating Fluid Bed Gasifier  
(Foster Wheeler)

*producing synthetic gas*



# FuturGas Groundwater Modelling

## October 2008

- Preliminary modelling completed
- Conservative base case utilised

## March – April 2009

- Refine modelling to minimise drawdown while maintaining economic viability
- Confident that volumes of water to be moved will substantially be reduced and balance achieved

*refining groundwater model*



# FuturGas Project

## Summary

- Project fundamentals still strong
- Difficult market conditions
- Continued commitment to project
- Actively looking for investment partner
- Continuing with key technical work streams
- Adelaide staff changes and management oversight to Perth

## QUESTIONS?

*progressing at reduced pace*



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