



ASX Announcement
25th May 2011

Continued Progress with 3 MW Power Generation Project using Biomass in Wagga Wagga, NSW

Highlights:

- **Proven power generation from biomass technology selection process is well underway**
- **Established Biomass fed Power plants, with up to 30 MW generation capacity, and reliable operating track records, located in Germany, France and Austria, to be visited by Syngas engineers in June**
- **Golder Associates Pty Ltd (NSW office) appointed to commence preliminary regulatory approvals work**
- **Further potential power generation material accessed through Letter of Intent with Transpacific Cleanaway Pty Ltd over Albury/Wodonga area woody material, diverted from landfill**

Introduction

The Board of Directors of Syngas Limited (ASX: SYS) is pleased to advise that progress is continuing to be made on the Company's first Power generation using biomass project (3 MW), the Bomen Project, located in Wagga Wagga, New South Wales. Progress is taking place predominantly across three areas:-

1. Plant technology selection and plant engineering processes,
2. Regulatory approval requirements and approval application preparation, and
3. Feed material options.

More detailed power supply (offtake) and feed material commercial negotiations are expected to take place after the *Basis of Design* for the plant has been finalised, post technology and flowsheet selection.

Progress Update

Syngas' progress has included more detailed engineering discussions with the potential power offtaker, with whom a non-binding agreement was signed and announced to the ASX on 27th of April 2011.

Syngas engineers are scheduled, in early June 2011, to visit established Power generation from biomass plants located in Germany, France and Austria, ranging from 3 MW to 30 MW in generation capacity, which have reliable operating track records together with power from biomass and liquid fuel production from biomass test facilities.

Preferred technology provider selection and the associated commercial negotiations are expected to take place subsequent to these site visits. Syngas plans to build long term relationships with proven power from biomass technology providers, in the same way as the Company has for other projects, as part of its multi project strategic approach.

Engineering firms both capable and with a successful track record of undertaking site preparation and plant integration engineering work, on an Engineering, Procurement and Construction basis (EPC) basis, are now being short listed. The scope of work will be defined in conjunction with the proven technology provider and will be based on the commercial agreements.

In terms of regulatory approvals for the Project, Golder Associates Pty Ltd (NSW Office) has been appointed to undertake early stage Planning Approvals and Licensing work. An approval timeframe for Bomen of around 6 months is currently estimated, post submission of all necessary documentation to the appropriate regulatory bodies. Considerable focus and effort will be placed in early regulatory approval stages on engaging with regulators and clearly establishing requirements, so that comprehensive and appropriate management plans are presented in the documents Syngas submits for approval.

Syngas is working towards commencing the Stakeholder Relations program for the Bomen Project shortly, in line with the approach taken for other Syngas projects.

Finally, in terms of access to further feed material, Syngas has signed a Letter of Intent with Transpacific Cleanaway Pty Ltd relating to potential supply of woody biomass material from their council collection contracts in the Albury/Wodonga area, diverting this material from landfill to energy production through the Bomen plant.

Other low cost, sustainable and suitable quantity and quality woody waste material options will be assessed in more detail as the Bankable Feasibility Study (BFS) progresses.

Summary

Overall, the Bomen 3 MW power generation using biomass Project continues to progress well, in a staged, cost effective and robust fashion.

A proportion of the funds raised during Syngas' currently underway Rights Issue are to be utilised to further progress the Bomen project BFS.

A revised, more detailed BFS delivery schedule for Bomen as well as plans beyond this, into Project Design and Construction and Commissioning are expected to be finalised and made available within the September 2011 quarter.

Ends

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