



SYNGAS

Australian Institute of Energy National Conference

*The CTL Option in an increasingly demanding
and competitive energy market place*

Adelaide, South Australia
14 -16 November 2010

Forward Looking Statement

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- This presentation has been prepared as a summary only, and does not contain all information about the Company's assets and liabilities, financial position and performance, profits and losses, prospects and the rights and liabilities attaching to the Company's securities.
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Technical Information

- Geological Information in this presentation has been either sourced from publicly available South Australian Government Open files or is the result of the Company's 2008 drilling program. It has been compiled by Geologists employed by Geos Mining, Syngas Limited's Geological Consultants with the work managed by Mr. T Bradbury (Competent Person) who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience (more than 5 years) relevant to the style of mineralisation being reported on and the activities being undertaken to qualify as a Competent Person, as defined in the 2004 edition of the "Australian Code for Reporting Exploration results", or if it pertains to exploration and drilling results it is based on information provided and compiled by Mr. T Bradbury (Competent Person). Mr. T Bradbury consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears. Geos Mining is owned by GJN Enterprises Pty Ltd with Directors Sue Border & Geoff Lomman. The company is based in Milsons Point, NSW.
- The analytical (laboratory) results presented herein have been provided by HRL Technology, the analytical services provider contracted by Syngas Limited.
- The engineering results presented herein have been provided by HCP Pty Ltd. A Perth-based group of senior engineers specialising in design and project management of oil and gas facilities with extensive experience of offshore platform facilities, floating production, onshore gas plants, power generation and pipeline facilities.

Overview

1. Energy in Context

- Globally and for Australia

2. Sources of Liquid Fuel

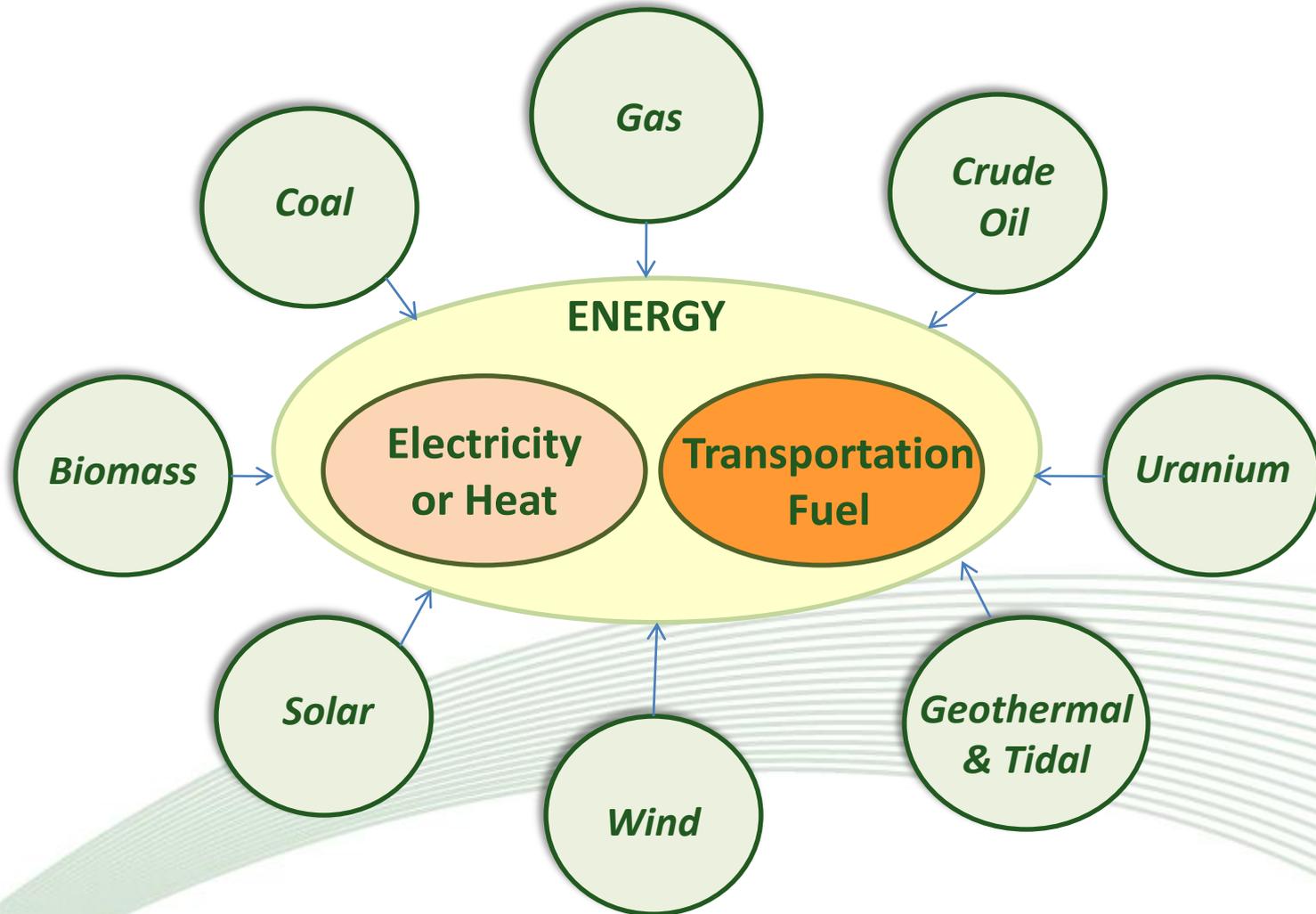
- Coal's role as an alternative source

3. CTL Globally and in Australia

- Underground and Above Ground
- Syngas' Clinton Project
- Carbon Management

4. Summary

Energy Source Framework



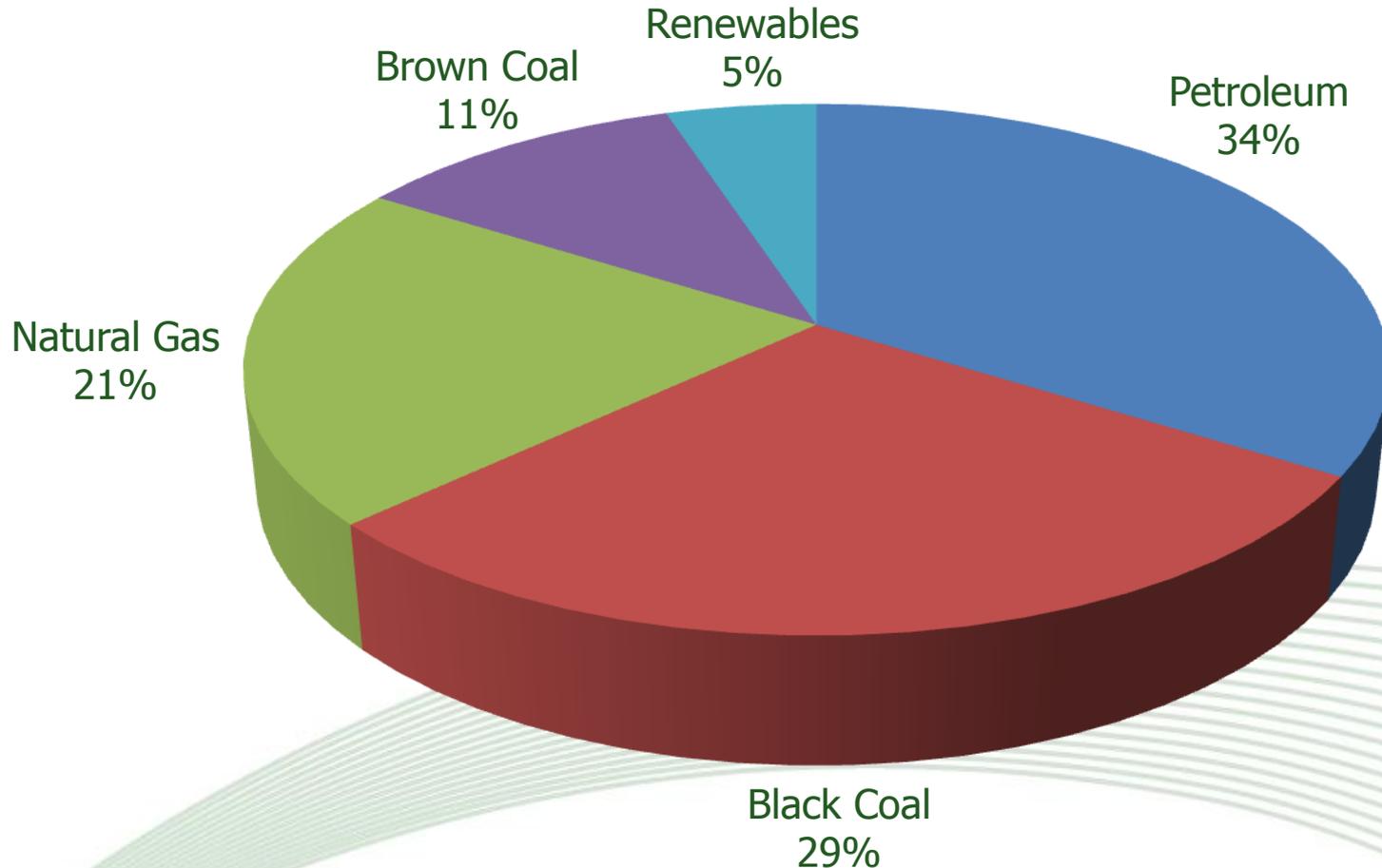
Adapted: B. Johnson, PWC APPEA April 2008

Energy Globally - Current Context

- World Energy Consumption 2008[^]
 - Around 474×10^{18} J or 1.504×10^{13} W
 - Equates to around 15,040,000 MW
 - More than 80% is supplied by fossil fuels;
 - 37% Oil
 - 25% Coal
 - 23% Gas
 - Wind, solar and geothermal < 2% of supply
- Australian Energy Consumption 2008*
 - Around 6×10^{18} J (**1.3 % of World**)

[^] Source: Wikipedia.org, IEA, ABARE Energy in Australia 2010

Australian Energy Consumption by Type '08



Source: ABARE Energy in Australia 2010

Renewables in Context

Type	2008 Installed generation capacity globally [MW]	2008 Installed generation capacity in Australia [MW]	Estimated potential Installed generation capacity globally [MW]	
Wind	157,899	1,714 (1% of world generation capacity)	720,000	5 times current
Solar	21,000	115	4,800,000	200 times
Geothermal	10,715	0.08	500,000 ?	
Hydro	451,200	7,600 (2% of world capacity)		
Wave/Tidal	12	0	Very large	
Biomass	600,000	80 estimate	Very large	
Nuclear [^]	902,000	0	10,000,000	

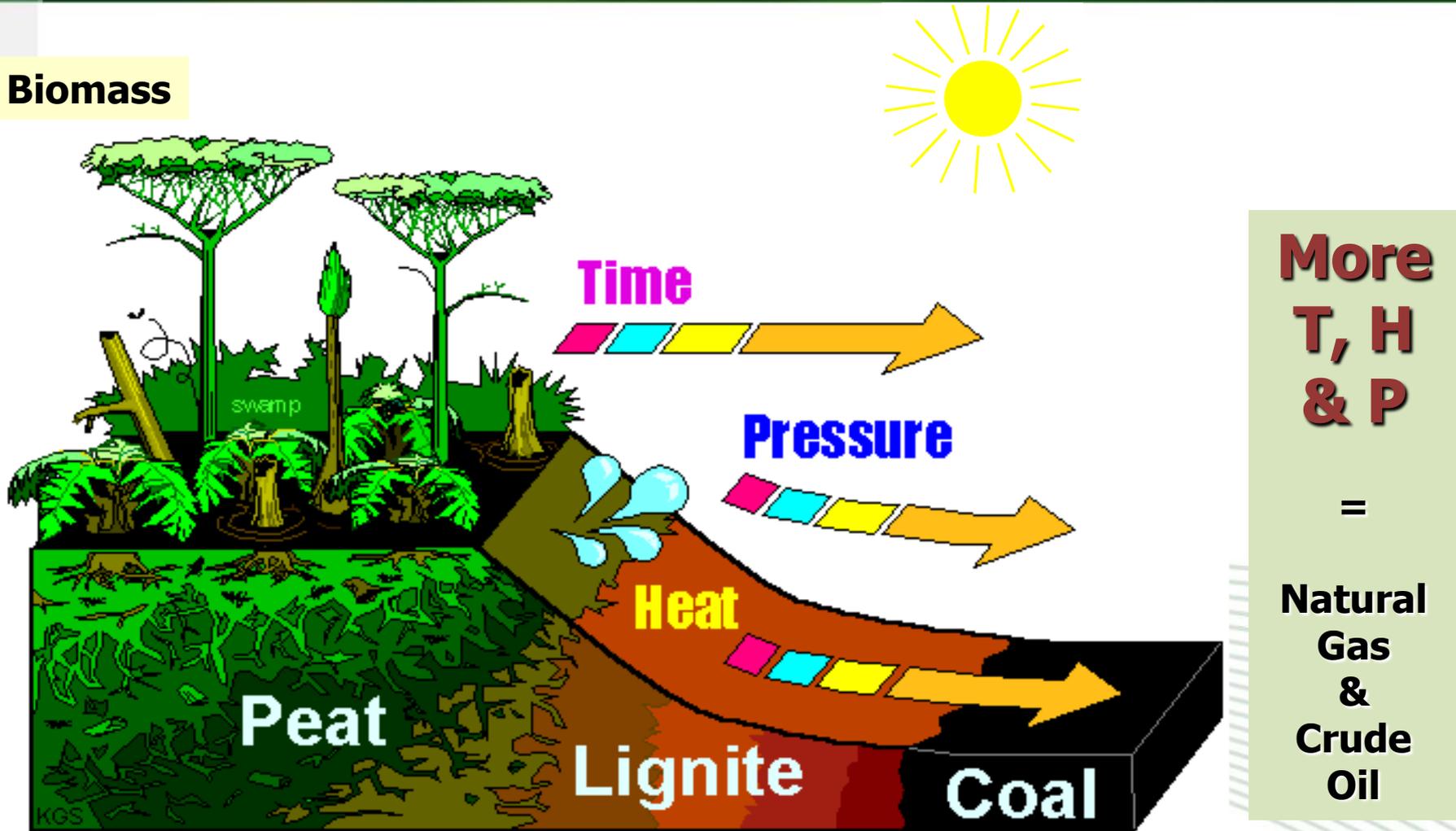
[^]Australia holds 38% of the worlds recoverable Uranium resource

Source: wikipedia.org, IEA, Qld Energy Museum, MIT (Future Nuclear Power 2003) other



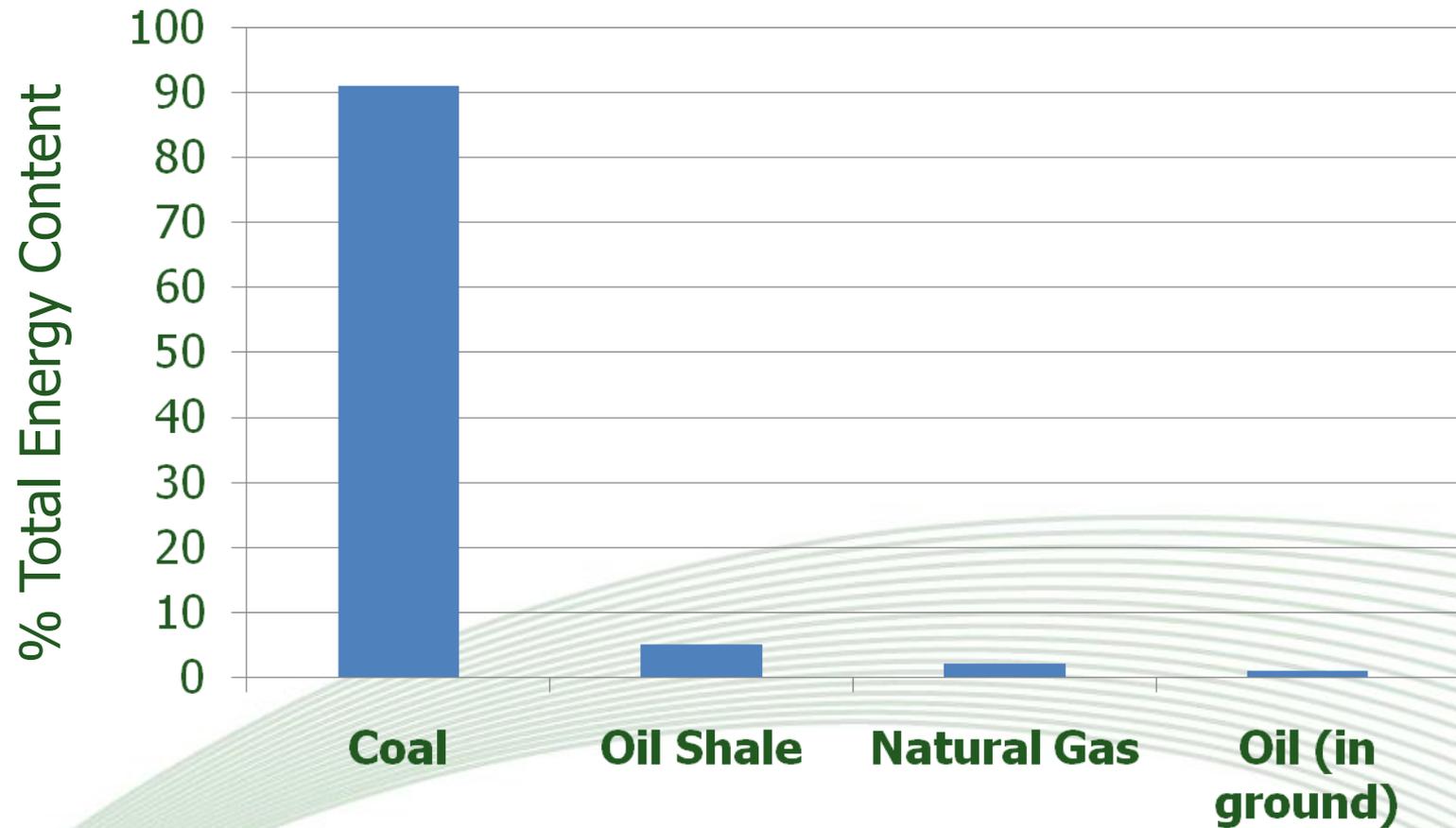
Plant material .. The Journey

Biomass



Source: wikipedia.org adapted

Energy Content by Fossil Fuel



Source: World Fossil Fuel Website, 2007



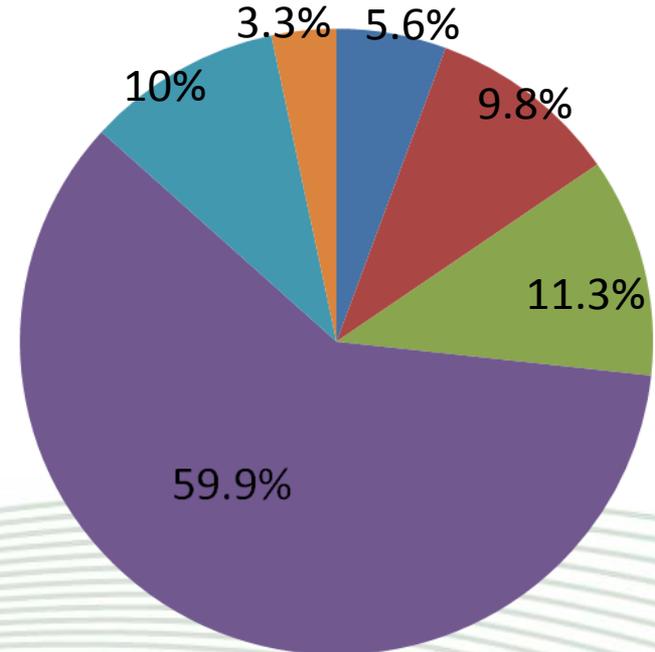
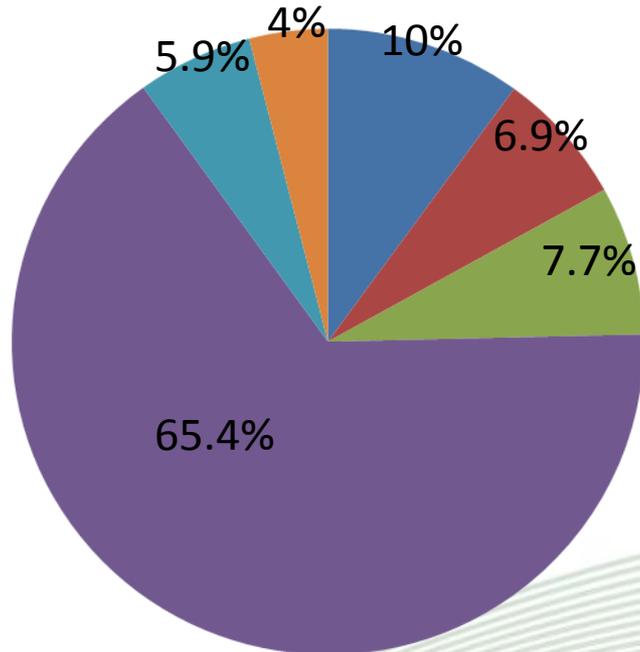
Proven Oil Reserves

1988: 998 ('000 mb)

2008: 1258 ('000 mb) + Oil Sands

78.2% Middle East, South/Central America & Africa

79.7%



North America

South & Central America

Europe & Eurasia

Middle East

Africa

Asia Pacific

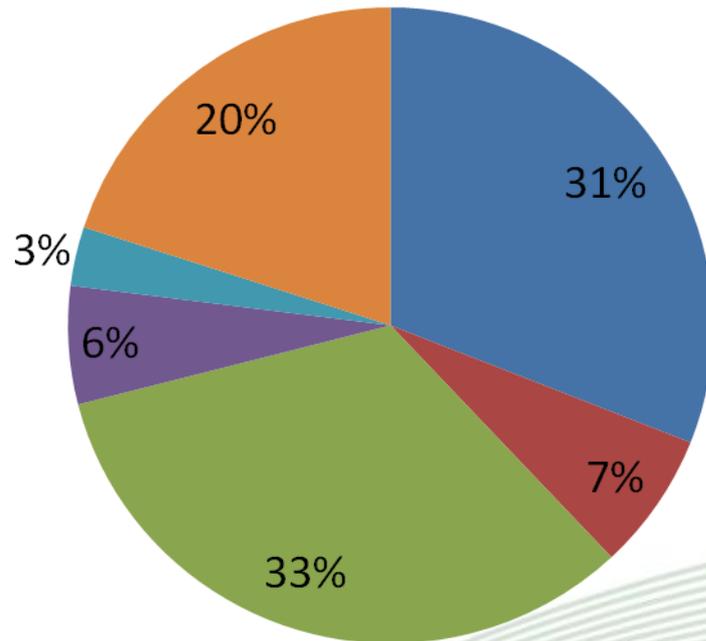
Source: BP Statistical Review of World Energy, June 2009



Oil Consumption: *20 yrs 28% increase*

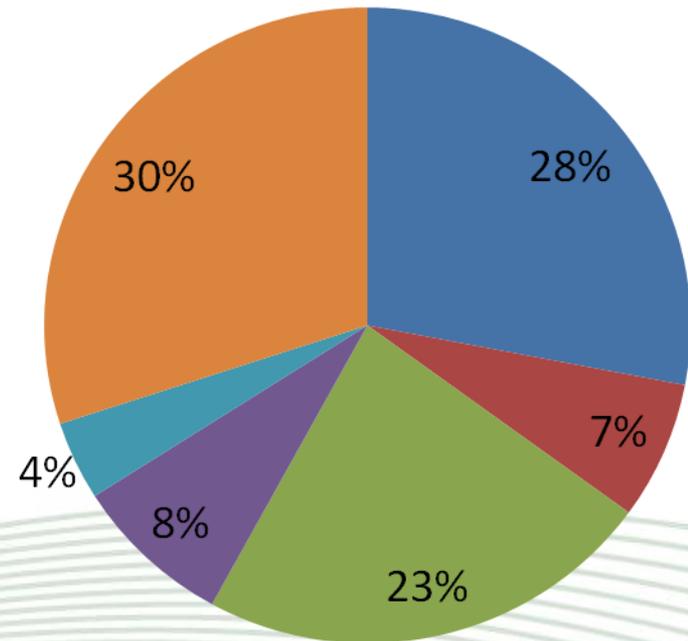
1988:

67 million barrels per day



2008:

86 million barrels per day



North America

South & Central America

Europe & Eurasia

Middle East

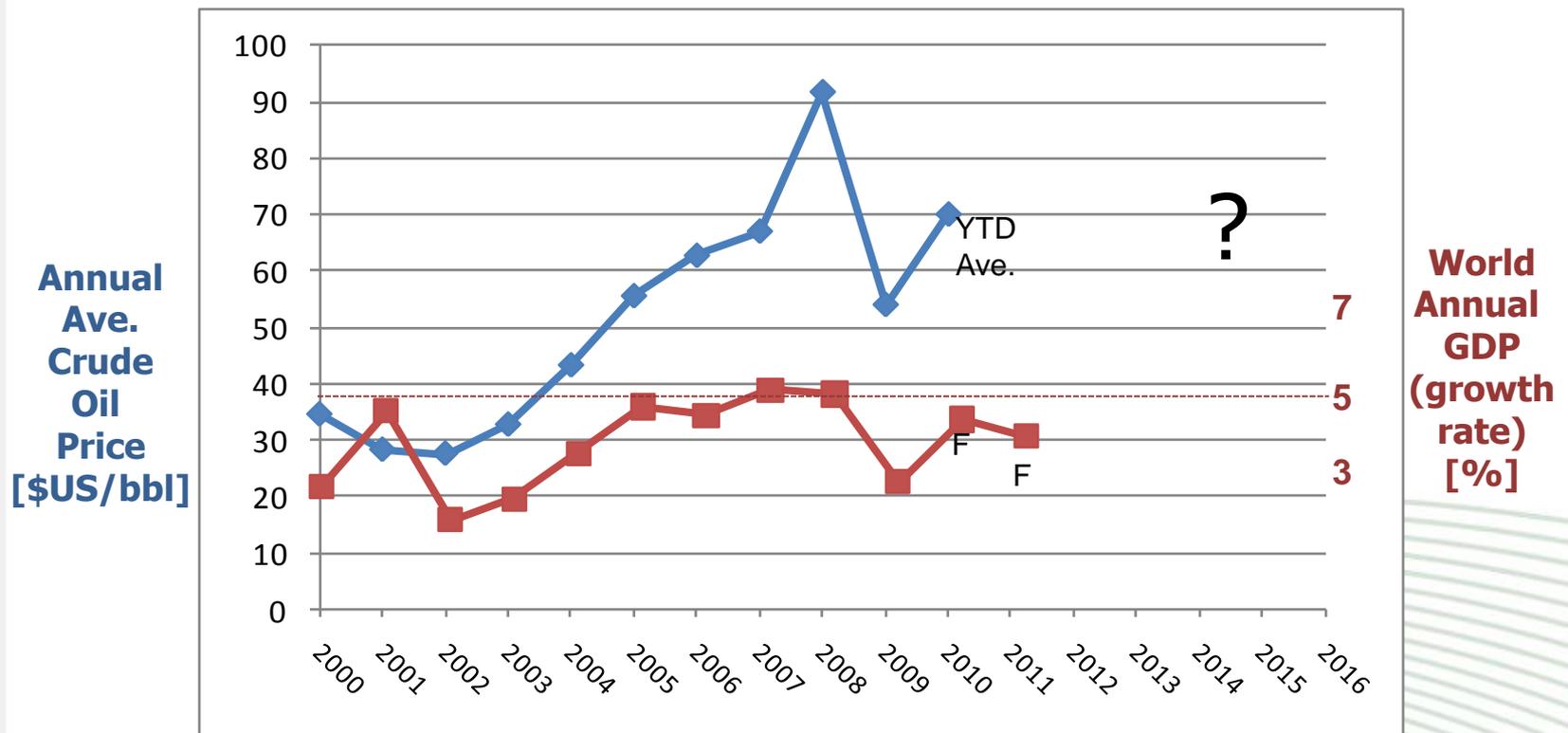
Africa

Asia Pacific

Source: BP Statistical Review of World Energy, June 2009



Oil and the Global Economy



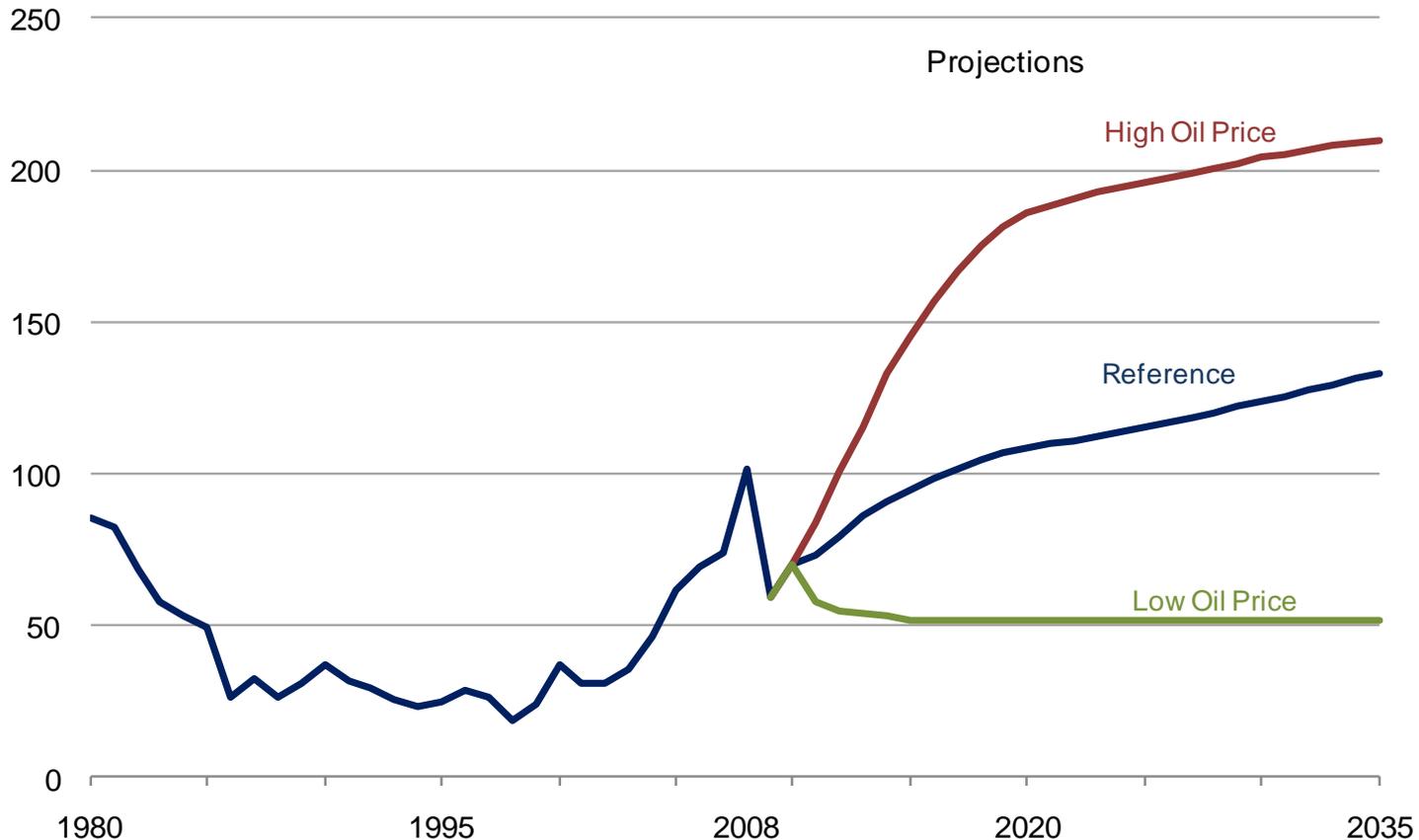
Sources: IMF Forecasts, IEA , APIS, www. indexmundi



The Future of Oil (U.S. EIA – 5/10)

Average annual world oil prices in three cases, 2005-2035

2008 dollars per barrel

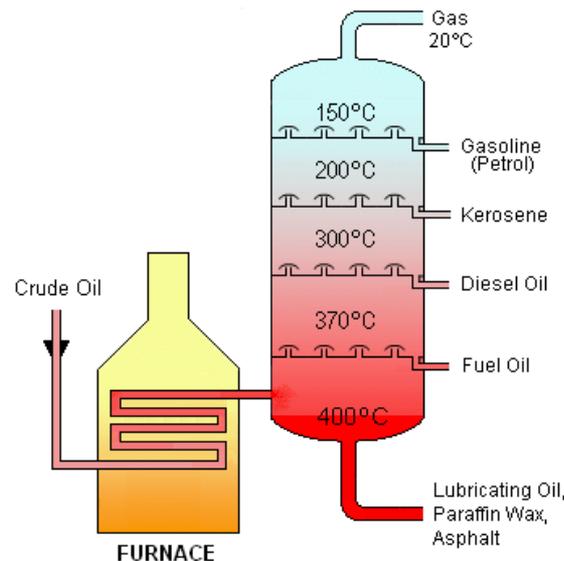


U.S. Energy Information Administration, Annual Energy Review 2008, DOE/EIA-0384 (2008) (Washington, DC, June 2009). Projections: AEO2010 National Energy Modeling System, runs AEO2010R.D111809A, LP2010.D011910A, and HP2010.D011910A.



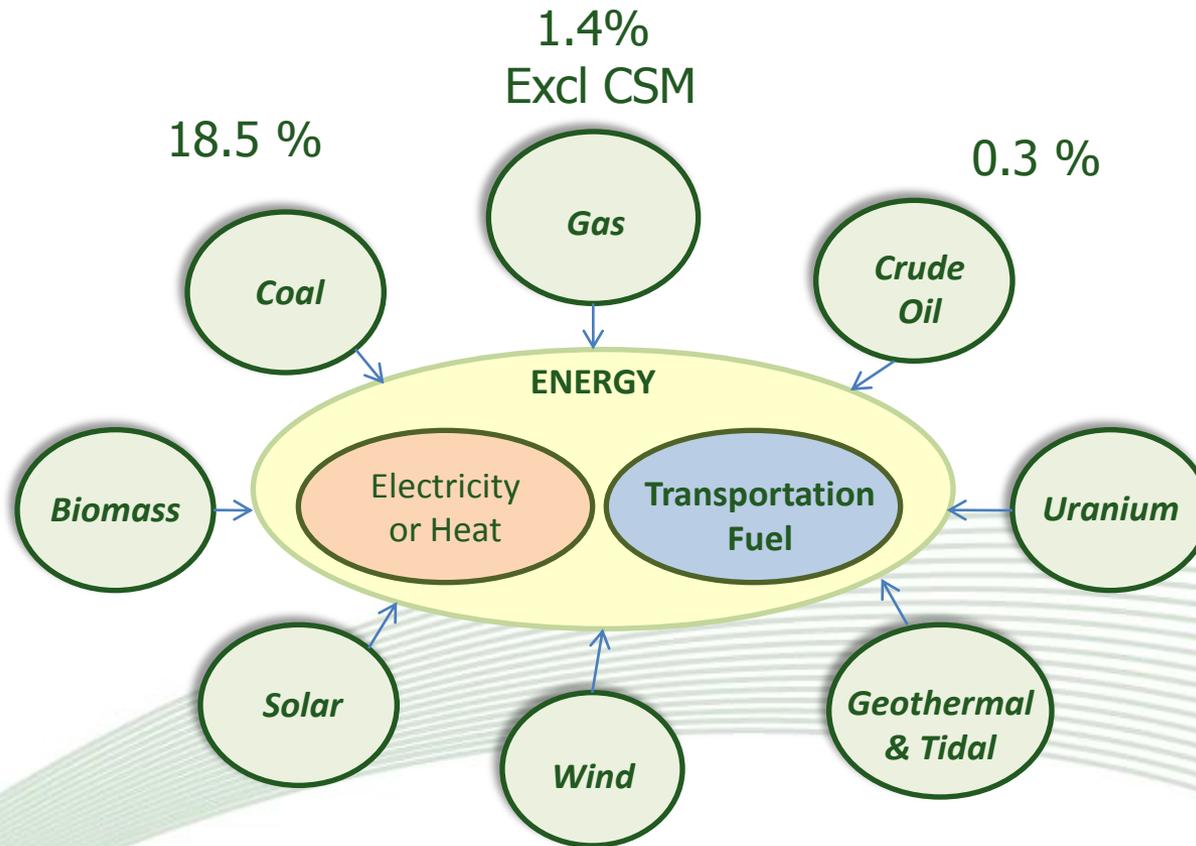
Diesel and Refining

- Refinery throughputs US and Europe same as 10 years ago
- Growth in China & Asia/Pac e.g. Singapore
- Australian Diesel consumption 2008 up 22% on 4 years prior (Petrol down 6%)



Australian Energy Sources currently

- Of World's recoverable fossil fuel sources



Adapted: B. Johnson, PWC APPEA April 2008

Source: Energy in Australia 2010, Australian Government DRET

Alternative Liquid Fuel Production Options

- Natural Gas to Liquid:
 - ➔ LNG, CNG, Gasoline (Petrol) or Diesel
 - Natural gas fields
 - Tight Gas
 - Coal Seam Methane gas
 - Shale Gas
- Coal to Liquid (CTL):
 - ➔ Gasoline (Petrol) or Diesel
 - Underground gasification to syngas
 - Above ground gasification to syngas

Coals in Australia



Australian CTL Industry Participants

	Under Ground Gasification		Above Ground Gasification
1	Liberty Resources	1	Altona Energy
2	Cougar Energy	2	Blackham Energy
3	Carbon Energy	3	White Energy
4	New Coal Energy	4	Hybrid Energy
5	New Hope Energy	5	Syngas
6	Ambre Energy		Others
7	Linc Energy		
8	Metro Coal		
	Others		

Transportation fuels from low rank coals

- The Clinton Project:

Cost Type	[A\$ million]	[A\$/boe]
Exploration	4	0.02
Development and Capital/Construction costs	Approx. 3,600	Approx. 19.45
TOTAL		19.5

- Conventional Oil Projects:

1. 'Independents'

- Average Discoveries: 160 mboe*
- Ave. Exploration: A\$10/boe^
- Price Paid Pre-Dev.: A\$15/boe^

2. Ursa Project (1999) in G.O.M. #:

- 45% Shell owned/Shell operated,
- In 1,218 m of water,
- Reserve: 400 mboe (2 * Clinton),
- Daily Prod.: 150,000 bpd,
- Dev. Cost: A\$3,045 million(today)
- Or A\$7.6/boe (@50% discount)

➔ **A\$ (15 + 3.8) = 18.8/boe**

2009 Exchange rate of \$1A = \$0.64 US used. Source: www.rba.gov.au

1999 Exchange rate \$1A = \$0.64 US used . Source: www.economagic.com

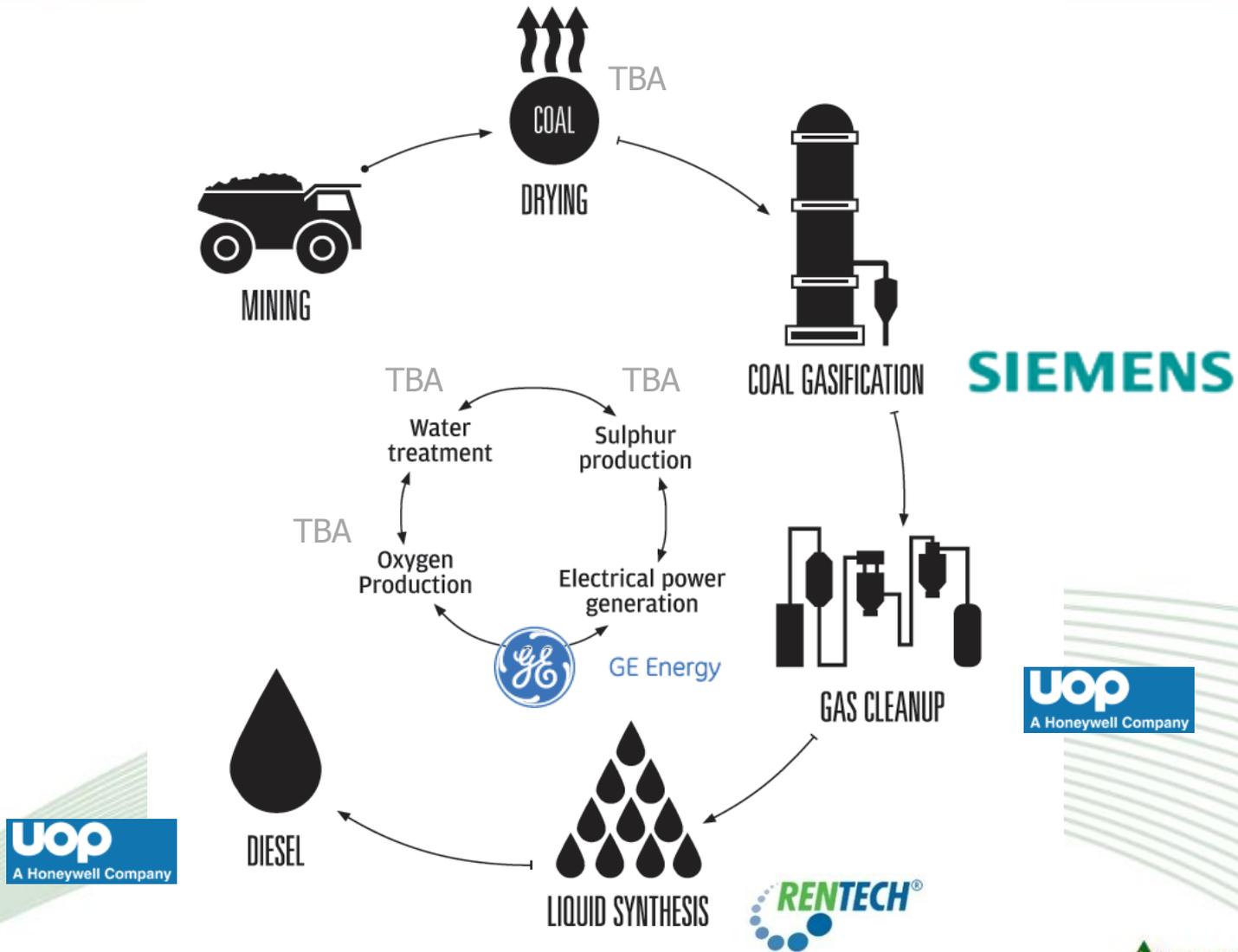
Sources: * = www.wikinvest.com/industry/Oil_&_Gas_Drilling_&_Exploration,

^ = Earth Explorer Magazine 2008.

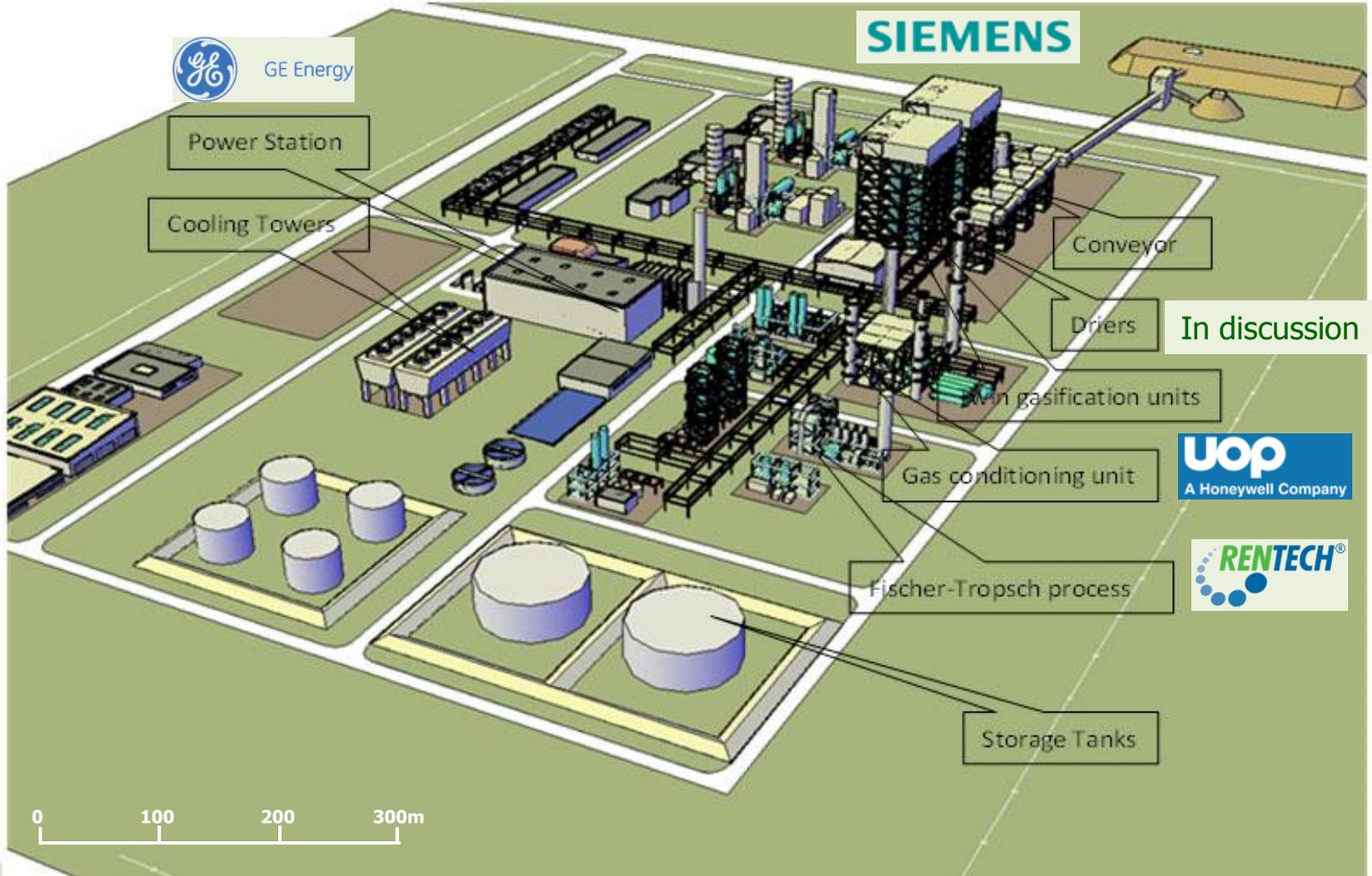
= www.rigzone.com/data/projects/project_detail.asp?project_id=17



Above Ground CTL – Syngas' Projects



Clinton Project Processing Facility



Around 15,000 barrels per day production capacity for over 33 years



Clinton Project Development Schedule

Post PFS completion April 2009

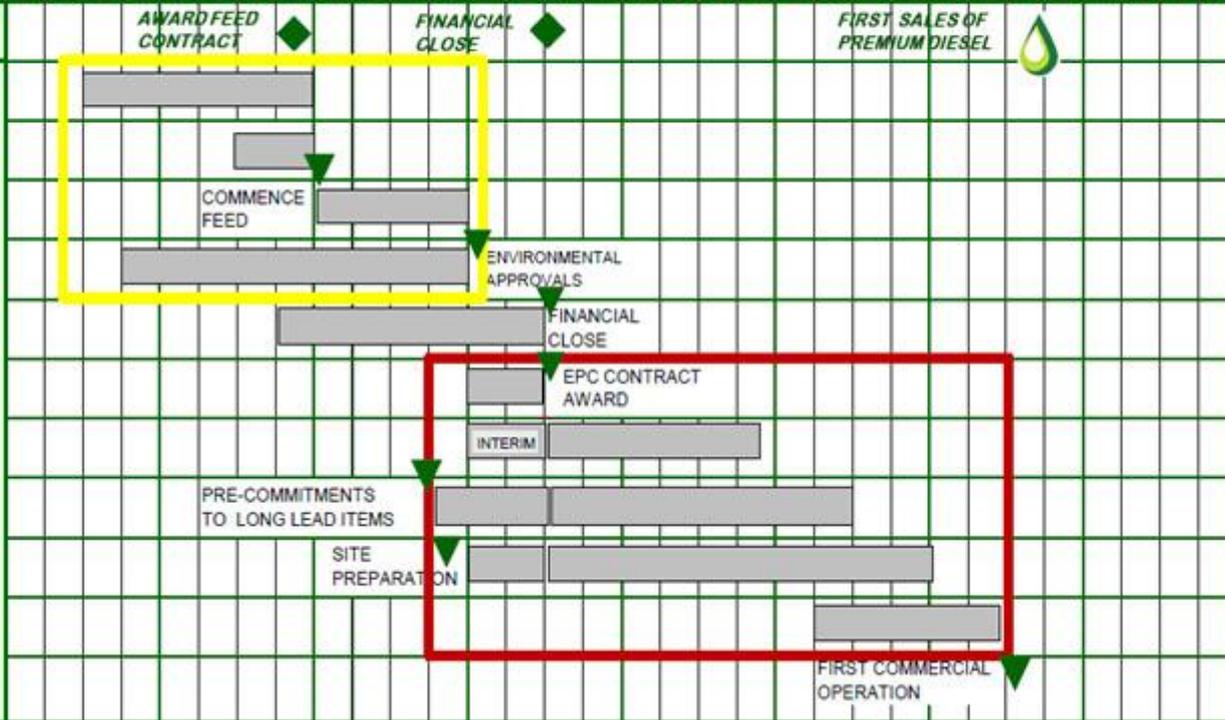


CLINTON CTL PRELIMINARY PROJECT SCHEDULE

2009	2010	2011	2012	2013	2014	2015	2016
1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4

PROJECT KEY MILESTONES

BANKABLE FEASIBILITY STUDY (BFS)	BASIS of DESIGN DEVELOPMENT
	PRE-FEED
	FRONT END ENGINEERING (FEED)
	ENVIRONMENTAL / GOVT APPROVALS
FINANCING	COMMERCIAL / CORPORATE
	EPC CONTRACT TENDER AND AWARD
DESIGN & CONSTRUCT	DETAILED ENGINEERING
	PROCUREMENT
	PLANT CONSTRUCTION
	COMMISSIONING
	TEST RUN
OPERATING	



= BFS



= D&C

Updated schedule to be available shortly



Operations Around the World

Similar footprint + Liquid



Wabash River Power Plant
Indiana, USA
Built in 1995
262 MW



Sasol plants - Since 1950's.
(Sasolberg & Secunda)
in South Africa
160,000 bbl/d Total



Buggenum, Netherlands
Built in 1995
253 MW

Under construction



Duke Energy/Bechtel 630MW IGCC
plant, Edwardsport Indiana USA
Oct 2009

Visited in July 2010

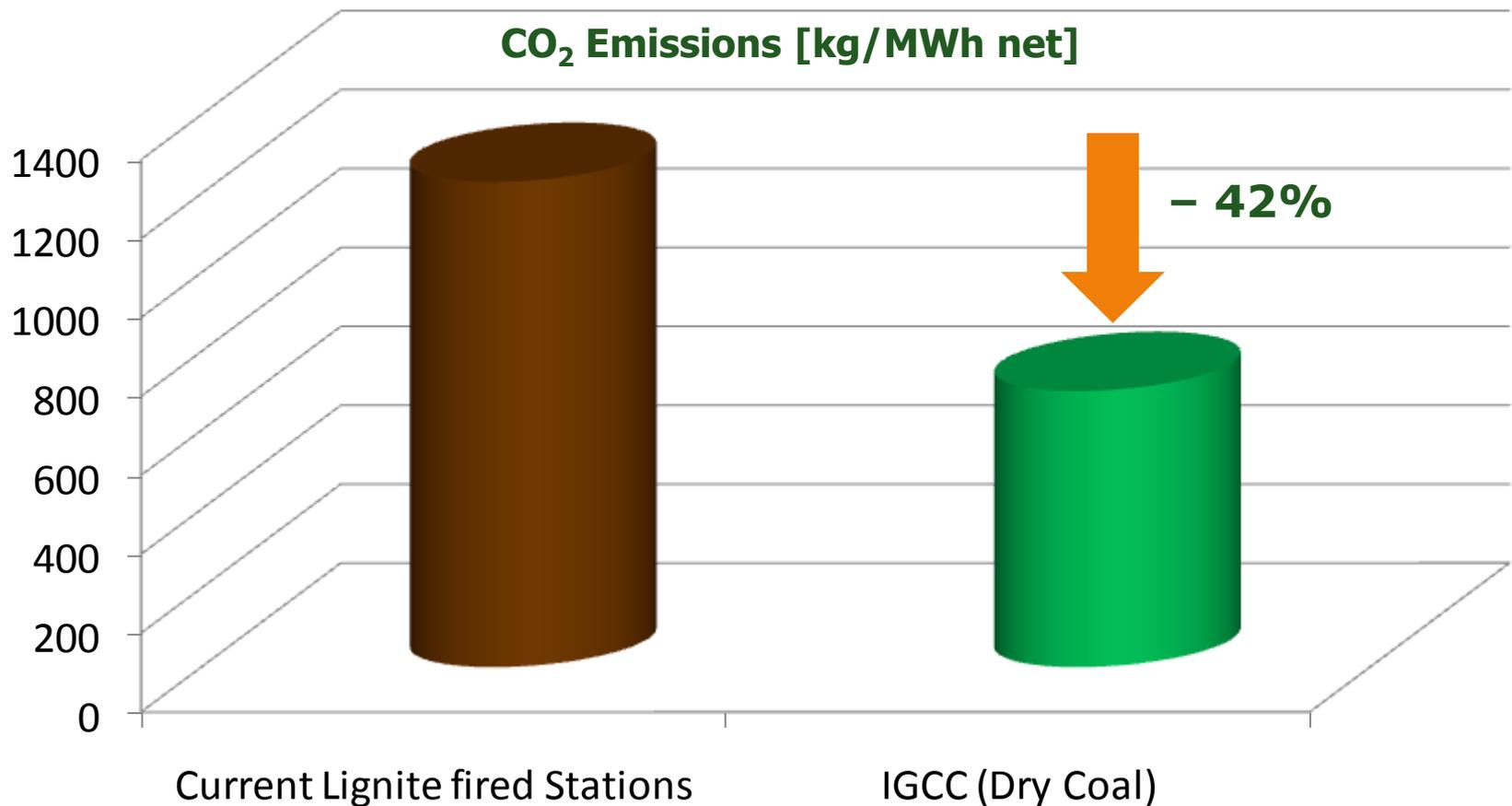


JAMG (Jincheng Antracite Coal Mining Group)
Shanxi Province, China
Commenced production in 2009
2,650 barrels per day of Gasoline



Carbon Emissions Management

Power Generation Comparison

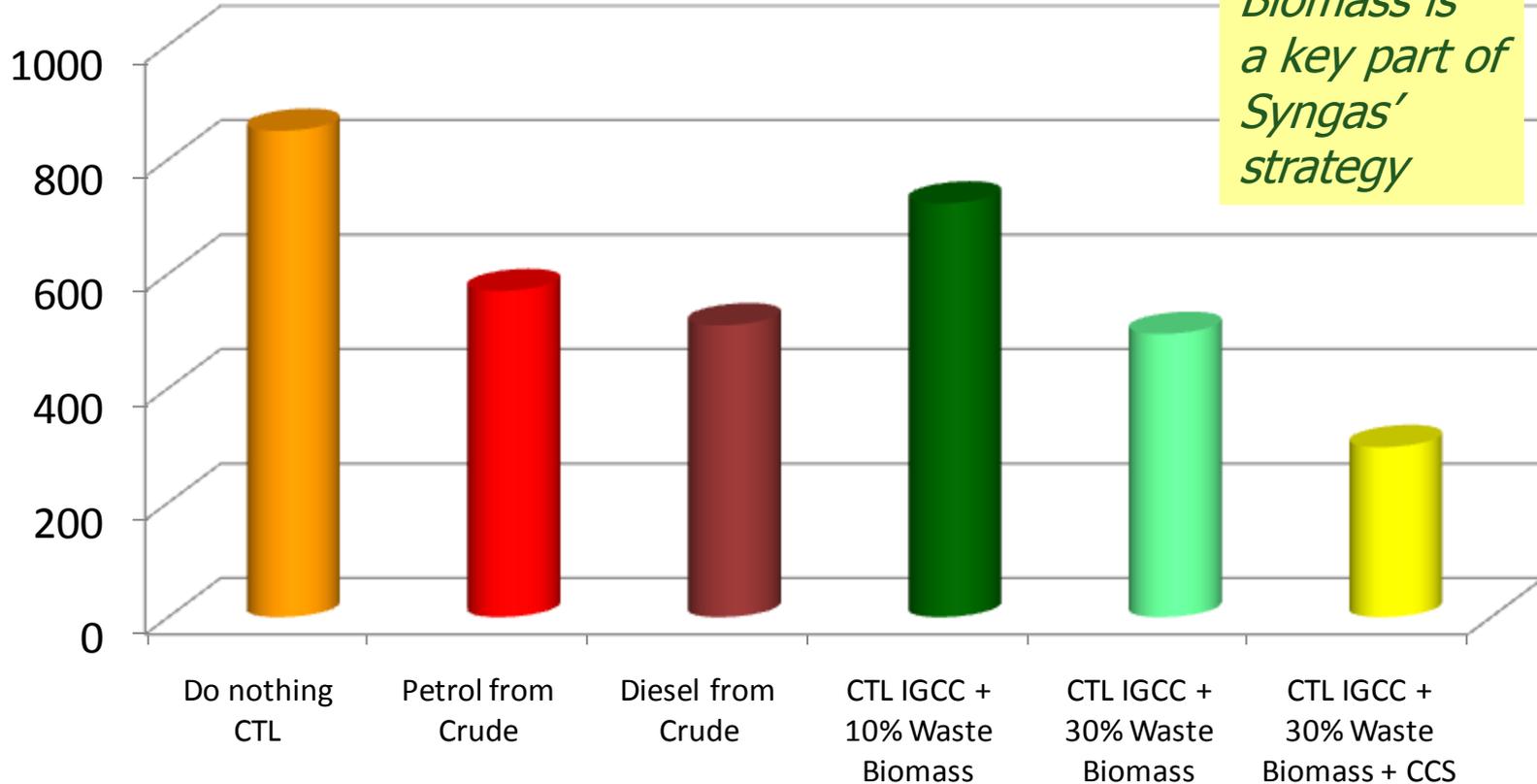


Biomass and Emissions Management

Grams of CO₂ equivalent per mile

"Well-to-Wheel" Comparisons

Biomass is a key part of Syngas' strategy



Our CTL processes are CO₂ capture enabled.



Summary

1. The challenges around meeting growing global energy demands will require a portfolio of energy technology solutions approach.
2. Carbon management is important.
3. To significantly change our current energy supply sources, investments will need to be made and returns on investment secured.



Thank you