

QUARTERLY REPORT FOR THE PERIOD ENDING March 30th 2010

The Board of Syngas Limited (“Syngas” or “Company”) is pleased to present the March 2010 Quarterly Report. During the quarter, the Company achieved the following:

HIGHLIGHTS

1. The Syngas office moved to Adelaide, South Australia, closer to the Clinton Project and Stakeholders.
2. A Project Manager with Sasol II design, construction and commissioning experience was recruited (Tom Newland), as was an Adelaide based Non-Executive Director (Ian Kowalick) who has a South Australian Government background.
3. Clinton Project Bankable Feasibility Study (BFS), preliminary engineering work by Rentech, Inc and UOP, LLC over Fischer Tropsch (FT) Liquid Fuel production and gas conditioning and liquid fuel clean up was progressed.
4. A Biomass field trial program to establish the cost effectiveness of certain large scale, mechanised collection, storage and transportation processes and equipment was developed in conjunction with farmers. The results will provide valuable input into the potential Biomass to Liquid (BTL) Project commercial viability assessment which is underway.
5. Other shorter term cash flow generating biomass opportunities continued to be assessed.
6. An MoU with COzero, an established carbon trading company, around potential international carbon credit securitisation for the potential BTL project and other Biomass projects was signed.
7. Strategic partner relationship building activities took place in the Middle East and India.
8. The Company’s cash in bank was A\$1.4 million at the end of the March quarter.

Activities

The Syngas head office moved to Adelaide, South Australia, during the March 2010 quarter and the Perth office was closed. All of the Company’s activities will now take place close to the Company’s main project, the Clinton Project, which is located 120 km NW of Adelaide and project Stakeholders. Site visits during the quarter were undertaken by the full Board of Directors as well as with representatives of VEMTEC Pty Ltd, a company with which Syngas has an agreement covering power related matters, and other stakeholders.

The office move has already facilitated closer working relations with York Peninsula Alkaline Soils Group (YPASG) and other farmers groups. In January 2010 a separate project for the

Company, involving the production of Syngas from biomass (i.e. residual straw and chaff by-products from cereal cropping) to produce transportation fuel, primarily ultra-clean Diesel, was announced. The model for this project is Rentech Inc's (NYSE AMEX: RTK) Rialto project which is under development in California, USA. Tendering for an Engineering and Procurement and Construction contractor has been completed by Rentech for the Rialto project, which is targeted to be constructed and in operation by late 2012/early 2013. Over the coming twelve months, a commercial viability assessment will be completed over potentially replicating the Rialto project in Australia. During the March quarter, work for a logistics management field trial program was scoped and detailed in conjunction with YPASG with the support of the group's executive.

Furthermore, as part of the office move to Adelaide, the Syngas team was expanded and enhanced. Mr. Tom Newland joined Syngas as Project Manager on March 29th 2010. During his engineering career Tom has worked for large global consulting firms including Fluor, Bechtel and SNC Lavalin as well as Australian contractors including GRD Minproc, MacMahon and Barclay Mowlem. While working for Fluor, Tom spent eight years on the design, construction and commissioning of the Sasol II Coal to Liquid plant in South Africa (design capacity 50,000 barrels of oil equivalent per day versus the 15,800 bbl/oe for the Clinton Project). He also worked on Sasol III. Tom brings a coal to liquid engineering and project delivery track record to the Company as well as plant operating experience. In addition to this, Mr. Ian Kowalick joined the Syngas Board of Directors as a Non-Executive Director. Ian has held management and advisory roles with various South Australian State Government departments and understands the project approvals regulations and processes in South Australia. Progress was also made on recruiting a Community Relations Manager, to implement Syngas' Stakeholder Relations program which is currently being developed by the Australian Centre for Corporate Social Responsibility.

A further strategic relationship was secured through an agreement with COzero. COzero is an established carbon trading company which may assist in international carbon credit securitisation for the potential BTL project and any other Biomass projects undertaken by the Company.

A key focus of activities during the quarter was potential strategic partner relationship building. This included attendance at the Indaba conference in South Africa, to meet with London based parties, meetings in the Middle East and India. During the June quarter this focus will continue with further meetings scheduled in the Middle East and meetings in China scheduled to take place. Follow up on several newly established potential partnership relationships will also take place.

In terms of the Clinton Project Bankable Feasibility Study (BFS) preliminary engineering work was progressed during the quarter.

Specifically, the activities undertaken during the quarter have been summarised in this report:

1. The Clinton Project

a) Technologies and Engineering

Preliminary engineering FT fuel related work was undertaken by Rentech and Gas Conditioning and Wax and Liquid Clean up preliminary engineering work was undertaken by UOP, part of Honeywell, for Syngas during the quarter, as announced to the market in December 2009 and January 2010 respectively. This work is scheduled to be completed in May with the results available by early June 2010.

More detailed and up to date planning of the Pre-Front End Engineering and Design (pre-FEED) and FEED components of the BFS commenced this quarter.

b) Infrastructure

The Company also made progress on infrastructure aspects of the Clinton Project. Representatives from VEMTEC Pty Ltd visited the Clinton Project site with Syngas to meet with representatives from Electranet. An action plan around grid connection, plant sub-station requirements and transmission line movements has been developed as a result of this visit and further meetings are planned with VEMTEC in the June quarter.

A scope of work for an overall water study to supplement the initial water balance work completed during the PFS will be developed during the June quarter.

A scope of work was received during the quarter for a site foundation and broad infrastructure review, working with VEMTEC on power. This initial work will provide a basis for further infrastructure work during the BFS.

c) Socio-Environmental

In December 2009 Syngas appointed the Australian Centre for Corporate Social Responsibility (ACCSR) to provide stakeholder engagement consulting services on the Clinton Project development. In February 2010 the ACCSR completed stakeholder surveys across a list of 60 stakeholders/stakeholder groups, generating baseline data. This data will be presented to participants and stakeholders in the June quarter. A stakeholder engagement program is being developed, based on the survey results, which will incorporate feedback received. This program will be implemented by the Syngas team and its progress will be monitored over time through further surveys and other structured feedback mechanisms.

In February individual meetings were held with landholders to initiate discussions on long term property access.

Progress was made on establishing the regulatory approvals framework for the Clinton Project through discussions with PIRSA and external consultant advice. A detailed budget and schedule of activities for this part of the BFS is being developed. A baseline environmental study scope of work was received and is under review with the recommended studies to be prioritised for progression.

2. The Biomass to Liquid (BTL) Project

On January 28th 2010 an MoU was signed with Rentech covering a twelve month joint assessment of a potential BTL project in Australia. Further discussions have been held to establish Biomass feed quality for Rentech's Rialto project. Replication of the Rialto project and securing commercial returns is the basis of the viability assessment.

On February 2nd 2010 an agreement with COzero, an established carbon trading company, around potential international carbon credit securitisation for the BTL project in Australia, which is under evaluation by the Company, was signed.

A meeting was subsequently held with the YPASG executive group to detail the Rentech and COzero agreements. At that time support was given by the group for the work underway by Syngas and a logistics management field trial program has been subsequently scoped in conjunction with YPASG. Various funding models for this work are now under consideration.

3. The Victorian Coal Joint Venture

Work continued on the Joint Venture (JV) with Resolve Geo Pty Ltd (Resolve) over two prospective coal areas in the Moe and Alberton sub-basins of the Gippsland Basin in Victoria, held under granted mineral exploration licenses (i.e. MELs 5210, known as 'Yalungah,' and 5212, known as 'Agnes' respectively). The budget and timetable of work for the coming 12 months was agreed with Resolve, subject to certain conditions.

4. Further Opportunities

Syngas has been working on a Biomass opportunity with the potential to generate shorter term cash flow streams for the Company and looks forward to providing further information on this shortly.

Corporate

During the March quarter, exploration and evaluation expenditure totalled \$170,000 (Year-to-Date \$453,000). This expenditure largely comprised the costs associated with the preliminary engineering work underway by Rentech and UOP. Administration costs for the quarter were comprised primarily of project management and strategic partner relationship building costs. They also included costs associated with ASX compliance, travel, half yearly audit/accounting fees and annual insurance renewals.

Exploration and evaluation expenditure for the coming quarter is forecast at \$120,000 comprised primarily of costs associated with final instalment payment for preliminary engineering work on completion and regulatory approvals process development.

A key focus of activities during the quarter has been potential strategic partner relationship building. This has included attendance at the Indaba conference in South Africa, to meet with London based parties, meetings in the Middle East and India. During the June quarter this focus will continue with further meetings scheduled in the Middle East and China. Follow up on several newly established potential partnership relationships will also take place.

Ultra clean diesel/jet fuel offtake discussions continued as part of these strategic partner discussions that are underway.

With \$1.4 million cash in the bank at the end of the March quarter, the Company is in a position to continue to progress components of the Clinton Project Bankable Feasibility Study, assess the viability of an Australian BTL project and shorter term biomass cash flow generating opportunities over the June quarter and beyond.

Media releases on Syngas' activities during the quarter were as follows:

- **Agreement signed over Peaking Power, Grid Connection and Local Power Transmission with VEMTEC Pty Ltd for The Clinton Project**, 18th January 2010.
- **MoU signed with Rentech, Inc. for a Biomass-to Liquid Project, Australia**, 28th January 2010.
- **Agreement signed with UOP to Progress Work on The Clinton Project, South Australia, as part of BFS**, 29th January 2010.
- **Agreement covering Carbon Credit Commercialisation with COzero**, 2nd February 2010.
- **Relocation of Registered Office to Adelaide**, 17th March 2010.

- **Ian Kowalick joins the Board as a Non-Executive Director**, 22nd March 2010.
- **Appointment of Tom Newland as Project Manager**, 29th March 2010.

June Quarter

During the June quarter the following is expected:

- Completion of Rentech and UOP preliminary engineering work.
- Baseline environmental study work commencement.
- Agreement on a firm approvals framework and process for the Clinton Project with South Australian Government regulators.
- Stakeholder surveys (telephone) by ACCSR feedback to participants and stakeholder relations plan finalisation.
- Progression of infrastructure work.
- Detailed up to date Basis of Design, Pre-Feed and FEED planning by the new Project Manager.
- Progression of the MoU with COzero.
- Field trials logistics management funding progression.
- Strategic partner relationship building activities in the Middle East, India and China.
- Completion of an overall water study.

Longer Term

The Company's long term vision remains to develop and bring into operation a large scale, long term, highly profitable coal and non-food Biomass-to-liquid (ultra clean diesel/jet fuel) project in South Australia and subsequently in Victoria.

In addition to developing the Clinton Project, the Company is currently assessing the potential for a smaller Biomass-liquid-project, modelled on Rentech's Rialto project in the USA, in Australia.

This and other biomass to energy opportunities could potentially generate cashflow over the shorter term and assist in building the Company.

The Company's future as economic growth picks up and governments focus on renewables globally is very positive.

Competent Person

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Merrill Gray who is a Member of the Australasian Institute of Mining and Metallurgy.

Merrill Gray is a full-time employee of the Company. Merrill Gray holds a Bachelor of Science in Geology, Bachelor of Mineral Technology in Mineral Processing from Otago University and Masters in Business Administration from Melbourne Business School and has worked in the Coal to Liquid (C.T.L.) industry in Australia since 2005.

Merrill Gray has sufficient experience to be responsible and to be the “competent person” as defined in the 2004 Edition of the ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Merrill Gray is suitably experienced in collating and reviewing information relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person.

Merrill Gray consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

About Syngas Limited

Syngas Limited, incorporating the Clinton Project following the acquisition of Syngas Energy Limited in January 2008, is an ASX listed oil and gas business with, as a core project, a large, long term premium diesel production project located in South Australia at Bankable Feasibility Study stage of development.

One of Syngas’s granted mineral exploration licences covers an area of 288 km² north-west of Adelaide, over known coal deposits within the Clinton Coal Measures, located in the Northern St Vincent Basin Coalfields, north of the Gulf Saint Vincent. Syngas also holds a granted mineral exploration licence over a 143 km² area, south-east of Adelaide, covering the known coal deposit of Moorlands and a petroleum exploration licence over the Moorlands deposit and surrounding area.

In 2009 Syngas entered into a joint venture arrangement over two potentially coal bearing licences held by Resolve Geo Pty Ltd in Victoria, which lie within the Gippsland Basin.

For further information contact:

Merrill Gray
Managing Director
Syngas Limited
B.Sc, B.Min.Tech, M.B.A., MAusIMM, AFAIM
Phone: (08) 8232 8455, Email: enquiries@syngas.com.au

Syngas ... Fuelling a Cleaner, Secure Transportation Future



Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

SYNGAS LIMITED

ABN

41 062 284 084

Quarter ended ("current quarter")

31 March 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(170)	(453)
(b) development	-	-
(c) production	-	-
(d) administration	(220)	(885)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	39
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(373)	(1,299)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(373)	(1,299)

1.13	Total operating and investing cash flows (brought forward)	(373)	(1,299)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	9	859
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Share issue expenses	-	(51)
	Net financing cash flows	9	808
	Net increase (decrease) in cash held	(364)	(491)
1.20	Cash at beginning of quarter/year to date	1,757	1,884
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,393	1,393

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	94
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, salaries and superannuation.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	120
4.2 Development	-
Total	120

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	242	861
5.2 Deposits at call	1,151	896
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,393	1,757

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

7.9	+C Class Performance Shares	30,000,000	Nil	Not applicable	Not applicable
7.10	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.11	Options (description and conversion factor)	51,275,000 1,250,000	Nil Nil	Exercise price 8 cents Exercise price 7 cents	Expiry date 31-Dec-2011 Expiry date 31-Dec-2011
7.12	Issued during quarter				
7.13	Exercised during quarter				
7.14	Expired during quarter				
7.15	Debentures (totals only)				
7.16	Unsecured notes (totals only)				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does ~~not~~* (delete one) give a true and fair view of the matters disclosed.



Sign here:
(Company Secretary)

Date: 29th April 2010

Print name: Ian Gregory

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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