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ASX Announcement
6th March 2013

**Heads of Agreement over Plantation Trimmings supply
for an up to 3 MW Biomass to Power plant
in the Douglas Daly area in the Northern Territory**

Syngas Limited's (Syngas) [ASX: SYS] Board of Directors is pleased to announce that the Company's biomass/clean energy subsidiary BioSyngas Pty Ltd, has today entered into a Heads of Agreement (HoA) with African Mahogany (Australia) Pty Ltd (AMA) over supply of plantation trimmings suitable to support the development of an up to 3 MW Biomass to Power plant in the Douglas Daly area in the Northern Territory.

The Douglas Daly area is located 220 kilometres south of Darwin. A number of businesses operate in the area which is not connected to the national electricity grid. The nearest connections are around 40 kilometres away from local businesses. Power for the area is currently generated using a number of diesel generator sets. Diesel prices are forecast to increase and with the diesel rebate under review, along with forecast grid accessed power price increases, a biomass to power project has the potential to offer lower cost/sustainability and clean power benefits to local businesses.

AMA currently manages African Mahogany plantations in the Douglas Daly area and is continuing to expand the area under management. AMA's plantation trimming operations are expected to ramp-up significantly over the coming 12 to 24 months generating reliable, long term supply.

This HoA sets out key commercial bases and a timeline for a Binding Commercial Agreement between the parties to be progressed.

Commercial negotiations with Douglas Daly power offtakers/potential power customers can be progressed now that BioSyngas has greater certainty around feedstock availability and supply through this HoA.

BioSyngas now plans to ramp up its design and engineering work on this project through established relationships with specialist equipment suppliers in the Biomass to Power industry.

Ends

About BioSyngas Pty. Ltd.

BioSyngas Pty Ltd (BioSyngas) is a majority owned subsidiary of Syngas Limited, (ASX: SYS), which is focused on developing multiple small (3 to 10) MW electricity/power generation and supply, embedded or "off national electricity grid", power plants in Australia, supplying power to specific customers. BioSyngas' focus lies in converting renewable energy sources i.e. Biomass or Biogas to power, whilst incorporating natural gas as required.

The Biomass that BioSyngas accesses for use is waste plant material/vegetation e.g. forestry industry residues or garden/municipal vegetative waste, agricultural waste, or waste from wood product processing including manufacturing.

BioSyngas is currently at Definitive/Final Feasibility Study Stage of development of a +3MW_e scale power plant, located within the Bomen Industrial Park, in Wagga Wagga, New South Wales which is intended to supply power to Teys Southern Australia Pty Ltd's 1,000 head a day Beef processing facility. The first phase of development of this plant could convert gas (Biogas), which is currently generated from animal waste produced at the Beef Processing facility, into electricity for use by the facility, making use of the energy contained within the waste material.

The Douglas Daly project is a second project for the Company, converting plantation trimmings woody waste (wood chip) to power. Other similar projects are under discussion with parties at this time.

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