



ASX Announcement
March 27th 2009

Gasification Technology Match for Clinton Clean Diesel Project.

- Clinton Coal Measures have been successfully gasified using Siemens technology.
- Successful gasification test work provides the basis for the Clinton Project.
- Clinton coal sample dispatched to Siemens for next stage/Feasibility Study testing.
- Siemens Technology licensing discussions underway.

The Board of Directors of Syngas Limited (ASX:SYS), are pleased to confirm that analyses of core samples from the Company's JORC classified coal resources at Clinton, match the coal quality of previously successfully gasified coal using gasification technology that is now owned by Siemens Fuel Gasification Technology GmbH & Co KG (Siemens).

Analytical Results:

The quality of the Clinton Coal Measures coal successfully gasified in the past is shown in Table 1 below. This coal was sourced from the Bowmans deposit which lies directly south of the boundary of MEL 3896 held by Syngas. Table 1 shows the Bowmans coal quality in relation to the coal quality analysed across the Clinton deposit.

Table 1: Coal Quality Figures for Past Gasification Tested Coal and Clinton Coal.

| Feedstock | | Soft brown coal | | |
|--------------------|-------|-----------------|---------------|----------------|
| Provenance | | Australia | | |
| Designation | | Bowmans | Clinton | |
| Elemental analysis | | | Lowest Grade* | Average Grade* |
| C | wt.-% | 45.2 | 46.8 | 49.3 |
| H | wt.-% | 3.3 | 3.5 | 3.8 |
| O | wt.-% | 17.4 | 16.2 | 16.8 |
| N | M.-% | 0.4 | 0.4 | 0.4 |
| S | wt.-% | 2.4 | 2.5 | 2.2 |
| Cl | wt.-% | 0 | – | – |
| Ash | wt.-% | 15.1 | 14 | 11.3 |
| Moisture | wt.-% | 16.2 | 16.2 | 16.2 |
| LHV | MJ/kg | 16.7 | | |

* Normalised to 16.2% moisture

Reference: Survey of Gasification Tests Conducted in Freiberg Test Facilities

Sources: 5th European Gasification Conference presentation by Babcock Borsig Power on 8/4/2002, Noordwijk, The Netherlands and HCP Pty Ltd who compiled the HRL Technology Pty Ltd's analytical results.

In fact, the ash composition of the coal at Clinton, may positively impact ash fusibility and in turn gasifier operation. Further testing is now underway on this.

The results of the past gasification test work (i.e. inputs, gasification parameters and outputs) completed on a Clinton Coal Measures sample from Bowman are presented in Table 2 below.

Table 2: Past Gasification Test Work Results.

| Inputs | | Gasification Parameters | | Outputs | |
|---|------|---|------|--|------|
| wt.-% <i>unless otherwise stated</i> | | Nm ³ /kg <i>unless otherwise stated</i> | | Dry Basis (vol.-%) <i>unless otherwise stated</i> | |
| C | 45.2 | Feedstock flow rate [kg/hr] | 242 | H ₂ | 33.6 |
| H | 3.3 | Flow rates | | CO | 41.4 |
| O | 17.4 | per feedstock unit | | CO ₂ | 11.1 |
| N | 0.4 | Natural gas | 0.72 | N ₂ | 13.4 |
| S | 2.4 | Oxygen | 1.16 | CH ₄ | 0 |
| Cl | 0 | Steam [kg/kg] | 0 | Raw gas | |
| Ash | 15.1 | Purge gas | 0.45 | after quench | |
| Moisture | 16.2 | Reactor configuration | CS | H ₂ S | 10 |
| LHV | 16.7 | Reactor volume | 140 | [g/m ³ N] | |
| [MJ/kg] | | Residence time [s] | 2.7 | | |
| | | Gasification pressure [bara] | 26 | | |
| | | Gasification temperature [°C] | 1578 | | |

Source: Babcock Borsig Power Plant GmbH, 5th European Gasification Conference Presentation, Netherlands, 8 – 10 April 2002.

Positive Step Forward:

These past gasification test work results provide a solid basis for the Clinton Project, in terms of syngas quality, yield and coal behaviour on gasification. As the gasified coal quality matches the Clinton deposit coal quality.

The ‘matching up’ of a technically proven and commercially available gasification technology for use on the Clinton Project provides a positive step forward in Syngas’s development of a large scale, long life, Clean Premium Diesel project located at Clinton, 120km north west of Adelaide in South Australia.

A sample of Clinton coal (30 kg) has been dispatched by Syngas to Siemens’ testing facility located in Freiberg in Germany. This sample has been received and Feasibility Study design basis test work has commenced. The results are expected by August 2009.

Licensing discussions have commenced with Siemens and are progressing well. Licensing is will be further progressed post Pre-Feasibility Study (PFS) completion and release.

Syngas remains on track to complete the Clinton Project PFS pre-Easter. SRK Consulting engineers are in the process of completing mine plans and schedules for input into the Company’s financial model. All other work is now complete.

A number of opportunities are continuing to be pursued in parallel. These include (but are not limited to): a clean, premium diesel offtake agreement, waste biomass agreements, and a peaking power offtake agreement.

Syngas Limited remains in an excellent, well funded positioned to make further significant progress with the Clinton Project over the coming twelve months.

Ends

Competent Person

The information in this report relates to Exploration Results, Mineral Resources or Ore Reserves and 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 and Masters in Business Administration from Melbourne Business School and has worked in 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 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). 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.

Laboratory Analyses

HRL Technology Pty Ltd is a Victorian company with extensive laboratory facilities and wide ranging analytical service offerings. HRL has significant expertise in Lignite/Brown Coal analysis developed over many years working with clients operating in the La Trobe Valley with La Trobe Valley Lignites. HRL's laboratories are operated according to Australian Quality Standards.

Gasification Engineering

Gasification engineering services are provided to Syngas by HCP Pty Ltd. A Perth-based team of senior engineers specialising in design and project management of oil and gas facilities, including coal gasification and associated downstream facilities. The HCP team's experience base includes with offshore platform facilities, floating production, onshore gas plants, power generation and pipeline facilities.

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 premium diesel production project located in South Australia. Syngas also holds rights to earn interests in four oil and gas prospects located in the Gulf of Mexico.

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, in the Northern St Vincent Basin Coalfield, north of the Gulf of 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. Syngas holds a petroleum exploration licence over the Moorlands deposit and surrounding area.

For further information:

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