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ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

28 July 2017

JOINT VENTURE AGREEMENT ON 10 MW MINI-HYDRO PROJECT & LOAN FACILITY AGREEMENT

We refer to our earlier announcements on the Memorandum of Understanding with Centuries Andalas Ltd. ("Centuries") for an equity/investment participation in PT Cahaya Terang Makmur ("PT Cahaya") relating to the participation in a 10 MW mini-hydro run-of-river power plant (the "Project") located on Batang Toru 6 river in the Island of Sumatra, Republic of Indonesia to be constructed and operated by PT Cahaya.

The Board of Syngas Limited ("Syngas" or "Company") wishes to announce that on 28 July 2017, the Company has entered into a Joint Venture Agreement ("JVA") with Centuries and PT Cahaya whereby Syngas will acquire from Centuries an aggregate of 25,000 ordinary shares with the nominal value of Rupiah One Hundred Thousand (Rp100,000.00) per share in PT Cahaya at par amounting to Rp2,500,000,000 or approximately A\$233,984.

The shareholding of 25,000 shares of nominal value of Rp100,000 per share in PT Cahaya represents twenty per centum (20%) of the entire issued and paid up capital in PT Cahaya of Rupiah Twelve Billion and Five Hundred Million (Rp12,500,000,000.00). The shareholdings in PT Cahaya upon completion of the acquisition will be as follows :

<u>Name of Shareholder</u>	<u>No. of Shares</u>	<u>Share value Rupiah</u>	<u>Percentage</u>
SYNGAS	25,000	2,500,000,000	20%
Centuries	93,750	9,375,000,000	75%
Others	6,250	625,000,000	5%
Total	125,000	12,500,000,000	100%

The JVA will be subject to the following conditions precedent being fulfilled or satisfied:

- (a) PT Cahaya shall secure a bankable Power Purchase Agreement ("PPA") to be executed between PT Cahaya and the Indonesian Utility company, PT PLN (Persero); and
- (b) the conclusion of the acquisition of the locations/land lots with the residents/users within the reasonable upper compensation limit as previously agreed, the outcome of which is satisfactory and acceptable to Syngas at its sole and absolute discretion;

(collectively, the "Conditions Precedent")

Syngas Limited

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PT Cahaya and Centuries shall each use reasonable endeavours to take all necessary steps to procure the satisfaction of the Conditions Precedent and shall keep Syngas regularly informed of progress or problems and will notify each other in writing immediately upon satisfaction. Centuries, Syngas and PT Cahaya shall co-operate in good faith with each other for the purpose of satisfying the Conditions Precedent.

If any of the Conditions Precedent are not satisfied within a period of six (6) months from the date of the JVA ("Stipulated Period") and unless it is extended by mutual agreement of Centuries and Syngas, either Syngas or Centuries can rescind or terminate the JVA by giving seven (7) calendar days' notice in writing to the other whereupon, the JVA shall automatically cease to be effective, become void and be rescinded without further action of any Party or the approval of any court or other body, and all provisions contained in the JVA shall have no force or effect at law.

Within a period of twelve (12) months from the effective date of the JVA, Syngas has the option to increase its investment to 40% by making an additional capital contribution for the joint venture and the proposed ratio of shareholdings between the parties will then be as follows :

Name of Shareholder	Percentage in PT Cahaya
SYNGAS	40%
Centuries	55%
Others	5%
Total	100%

The parties also agree that PT Cahaya shall establish a management team, who shall be in charge of the daily operations and management of the company. The management team shall comprise of five (5) representatives. Centuries shall be entitled to nominate four (4) representatives and Syngas shall be entitled to nominate (1) representative.

The Company will keep the shareholders informed on the status of the JVA as it progresses.

The Board also wishes to announce that the Company has on 28 July 2017 entered into a \$400,000 loan facility agreement with AsiaPacific Businesslink Sdn Bhd, which will enable to Company to draw on the loan facility to finance the JVA. AsiaPacific Businesslink Sdn Bhd is a company related to Mr Low Siak Wei, a director of the Company. The loan facility has a tenure of 12 months (unless extended) and carries an interest rate of 9.25% per annum. In the meantime, the Company is also considering various capital raising options to finance the JVA.

On behalf of the Board.

David Low

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