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ANNOUNCEMENT TO ASX

Syngas Enters into MOU for Hydro Project in Indonesia

1. The Board of Syngas Limited (“Syngas”) is pleased to announce that on 22 January 2016, Syngas entered into a Memorandum of Understanding (“MOU”) with Centuries Andalas Ltd. (“Centuries Andalas”) for an equity/investment participation in PT Cahaya Terang Makmur (“PT Cahaya”).
2. Century Andalas holds 95% of the equity in PT Cahaya, a company incorporated in the Republic of Indonesia. PT Cahaya has received all governmental approvals to construct and operate a 10 MW mini-hydro run-of-river power plant (the “Project”) at Batang Toru 6 on Batang Toru River in North Sumatra, Republic of Indonesia. The salient points of the MOU are as follows:-
 - a) The participation of Syngas in the Project shall be between 20% and 50% equity/investment interest;
 - b) The participation of Syngas shall be subject to the following conditions precedent;
 - i) Approval of all relevant authorities of the Republic of Indonesia;
 - ii) Approval of the shareholders of Syngas, PT Cahaya and Centuries Andalas;
 - iii) Completion of financial and legal due diligence on PT Cahaya and the Project within 180 days from the date of the MOU.
 - c) Syngas shall be entitled to board representation at PT Cahaya, in proportion to its shareholding.
 - d) Upon completion of the due diligence, Syngas may in its absolute discretion decide to participate in the project and to this end, the parties hereto shall negotiate in good faith for the equity stake of Syngas in the Project.

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3. It is anticipated that the participation of Syngas in the Project would require an investment outlay of between USD 4.0m to USD 10.0m. Syngas will consider funding its participation by way of debt and/or equity raising in due course.
4. Syngas is listed under the Energy classification of the Australian Securities Exchange. This investment in PT Cahaya will enable Syngas to participate in a clean, renewable energy project.

For Further Information:-

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