



GulfX Raises Funds For Syngas

GulfX's long term goal of becoming a major global producer of premium diesel has come a step closer with the company raising A\$2.59 MM capital with which to further progress the company's synthetic fuels project in South Australia. The company commenced the large scale coal-to-diesel and liquid project in January 2008 when it acquired Syngas Energy, a company focused on achieving large scale syngas production from its substantial feedstock deposit near Adelaide.

The project will use existing gasification and associated technologies to produce significant quantities of diesel, as well as native sulphur for sale on the industrial market.

In a statement the company reported it is targeting production of 30,000 bbl of premium diesel per day as well as 500 MW of power and 120,000 tpa of native sulphur.

"Diesel imports to Australia in 2006 reached 34 MM bbl with imports expected to increase significantly over the next five years as a result of declining Australian petroleum reserves and production (e.g. Bass Strait), ageing refinery closures, and limitations to increased diesel production from the remaining Australian refineries", the statement said.

"South Australia currently imports all of the state's diesel requirements and the company has its sights set on a share of South Australia's growing 3 B l per year diesel market."

The Syngas project will produce 10 MM bbl per year of

premium diesel, approximately half of South Australia's requirements, and it has been projected 95% of the project's revenue will come from premium diesel sales. Native sulphur, in demand in Australia for use in sulphuric acid production, particularly by nickel laterite producers, and will add to the Syngas project's revenue stream the company said.

The Syngas project will produce a premium diesel that burns more efficiently and produces less carbon dioxide than petroleum and conventionally produced diesel. The product also provides more torque, when used in newly designed turbo diesel engines.

The Syngas project is located 100 km from Adelaide in South Australia, in close proximity to road, rail and national electricity grid infrastructure and skilled labour.

Project feed material is lignite from large, extensively drilled and delineated deposits, containing approximately 1.4 t of non JORC resource, over which mineral exploration licenses, are held by GulfX.

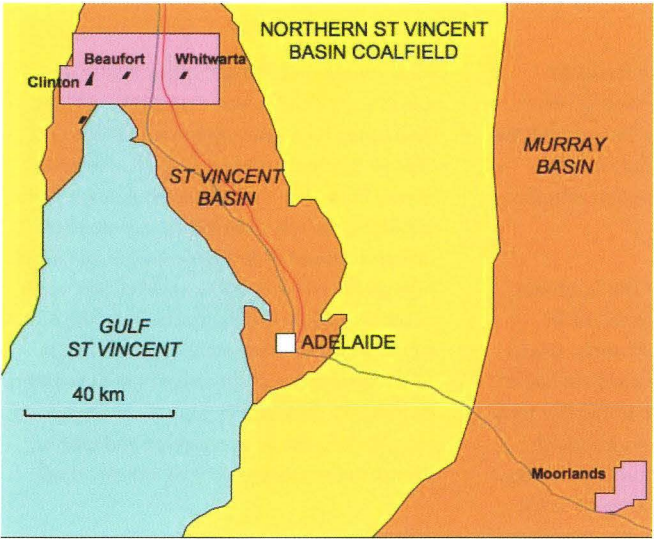
Commercially proven gasification, gas clean up and end product technologies will be used. Sasol/Chevron, Shell, Siemens, GE and Lurgi are several of the globally recognised technology licence providers in this area.

Production at the 40 year life Syngas plant is targeted to commence in 2015, with subsequent ramp up.

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Geological and gasification engineering expertise has been secured to support the progression of the project and a drilling program to secure more than 750 MM t of Joint Ore Reserves Committee resource commenced in April 2008. ■



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Lignite core samples from the second hole in the Clinton Phase of the drilling program.