



FINAL DRAFT IGNITE ENERGY MEDIA RELEASE

**UNDER EMBARGO UNTIL
11AM WEDNESDAY 14TH DECEMBER 2011**

Minister inspects ground breaking coal emissions abatement technology

The Federal Minister for Resources and Energy, the Hon. Martin Ferguson, today opened a promising new Catalytic Hydrothermal Reactor (CAT-HTR) cleaner coal technology plant at Somersby north of Sydney and has announced that Ignite Energy Resources and TRUenergy have reached agreement to locate a plant at Yallourn Power Station in Victoria.

TRUenergy's Managing Director, Richard McIndoe said TRUenergy is very pleased to be supporting the development of CAT-HTR through an equity investment in IER and a hosting agreement for establishment of a Commercial Demonstration Plant at Yallourn Power Station beginning mid-2012.

"Demonstrating technology that can add significant value to brown coal by turning it into oil and high energy dry coal is an important initiative for Victoria's world class brown coal resource.

"We're delighted that Ignite Energy Resources has achieved the important milestone of completing the Commercial Demonstration Plant at Somersby and TRUenergy is working closely with Ignite Energy to relocate the facility to Yallourn after the testing on biomass has been completed in mid-2012 and together we will work on commercialisation opportunities for low emissions power generation and coal derived products," Mr McIndoe said.

TRUenergy and Ignite Energy will conduct a trial of the technology to assess its potential to add significant value to lignite (brown coal), and substantially reduce the current levels of CO₂ and other greenhouse gas emissions from burning lignite (brown coal).

An initial commercial-scale plant could see low-ranked brown coal transformed into annual production of 600,000 tonnes of high-grade, much cleaner burning coal for use in Victoria's power industry, the steel industry and other coal consumers.

The Yallourn CAT-HTR plant would also produce about 5,000 barrels of high-value refinery-ready synthetic crude oil per day. Being able to be dropped into existing refinery and distribution infrastructure to produce Gasoline, Diesel and Aviation fuels. The CAT-HTR Commercial Demonstration Plant at Somersby is the result of 3 years of successful trials of an earlier 'pilot facility.'

Ignite Energy Resources CEO, Dr Len Humphreys said that if Ignite's high-calorific cleaner combusting coal was used to fuel a power station, CO₂ emissions could be cut by up to 40 per cent per megawatt hour and increase power generation efficiency about three-fold.



“About 90 per cent of Victoria’s power generation currently depends upon lignite and we believe CAT-HTR has potential to very significantly reduce CO₂ and other greenhouse gas emissions from coal fired power stations in Victoria’s Latrobe Valley and in other countries and eventually in other countries that are also big users of lignite,” Dr Humphreys said.

TRUenergy is one of Australia’s largest integrated energy companies, providing gas and electricity to approximately 2.8 million household and business customers in the National Electricity Market, including Queensland.

With a multi-billion dollar portfolio of generation and retail assets, we are one of the largest private energy businesses in Australia. TRUenergy owns and operates a 5613 megawatt (MW) portfolio of electricity generation facilities, including:

- Australia’s most efficient gas-fired power station, the 420MW Tallawarra power station near Wollongong in New South Wales;
- the 203MW Hallett gas-fired power station in Canowie in South Australia;
- a joint venture partnership in a leading geothermal generation exploration company, Petratherm;
- the 1480MW Yallourn coal-fired power station and adjacent mine in the Latrobe Valley in Victoria;
- Iona gas storage and processing facility near Port Campbell in Victoria;
- the 111MW Waterloo wind farm in the Clare Valley region in South Australia;
- A 50 per cent share in 66MW Cathedral Rocks wind farm, Eyre Peninsula in South Australia.

NOTE TO EDITORS:

The Federal Minister for Resources and Energy; Minister for Tourism and representatives of TRUenergy and Ignite Energy, will inspect the Ignite Energy ‘CAT-HTR’ Demonstration Plant, 56 Gindurra Road, Somersby NSW 2250 (near Gosford), from 11am Wednesday the 14th of December 2011.

You are welcome to attend. If you would like to send a media representative, please call Jackie Holt at Maxicom Public Relations on (02) 9965 9300 or mobile 0422 541 075.

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