Shareholder Update

2011 Annual General Meeting
Forward Looking Statement

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Syngas’ Strategy

MEDIUM TERM
- Large Projects (Capital)
- Modular approach
- Coal Offtake at operating mines initially
- Tackle salty lignites

Coal

Syngas Energy Pty Ltd

Biomass

BioSyngas Pty Ltd

CORE BUSINESS
Gasification Technology
Project Development
Carbon Management
Energy

SHORT TERM
- Small Projects (Capital)
- Reproducable designs

LONG TERM
- Leverage off Short and Medium term Success

Victorian Lignites
Queensland Coals
Clinton (S.A. Lignites)
International coals

Bomen 5 MWe project
Crop Residues (Film)
Other Projects

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Five projects are at various stages of development:

1.Clinton 15,000 bbl/d Capacity CTL plant

2. Residual Straw Project (Logistics Field trials)

3. 3,500 bbl/d capacity CTL plant in Victoria

4. BFS Accelorated PFS

5. 3,500 bbl/d capacity CTL plant in Queensland

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Biomass to Power Plants

- Many Biomass to Power plants operate globally

**Biomass Combustion Installation**

**25 MW** plant, Fluidised bed Boiler, Netherlands

**Organic Rankine Cycle (ORC) module**

- Syngas’ first project will likely involve biomass combustion combined with ORC (steam).
## Biomass to Power in Australia

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<tbody>
<tr>
<td>Ergon Energy</td>
<td>25.5</td>
<td>2006</td>
<td>Bagasse</td>
<td>23 million</td>
<td>70% to Grid</td>
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<tr>
<td>Ergon Energy</td>
<td>1.5</td>
<td>2003</td>
<td>Macadamia Nut Shells</td>
<td>5,000 tpa</td>
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<tr>
<td>Maryborough Sugar</td>
<td>4.75</td>
<td>1972</td>
<td>Sugar Residues</td>
<td></td>
<td></td>
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<tr>
<td>Stawell Co-op</td>
<td>30</td>
<td>2001</td>
<td>Bagasse, Wood</td>
<td></td>
<td>Largest Biomass Plant in Australia</td>
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</tbody>
</table>

*Isis Central Extension 25.5 MW*  
*Maryborough 4.75 MW*  
*Rocky Point 30 MW*
Short Term - Biomass

1. Woody Material
From Collection Companies
Diverted from Landfill

2. Residual Straw

3. Energy Crops
Enercane (Arundo Donax)

Manufacturing Company’s
Industrial Waste
Bomen Project Layout

Teys Australia’s Beef Processing Plant (within 800 m)
Phased development

**Phase 1:** 2 MWe Natural Gas Fired Engine

**Phase 2:** 2 x 1.5 MWe Biomass Combustion with Organic Rankine Cycle (ORC) back end

**Phase 3:** 1.5 MWe Gasification

Total Phase 1,2,3: 5MWe Power installed (3MWe Renewables)

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Residual Straw - Yorke Peninsula and Mid North

- South Australian Government grant of A$300,000 received for Syngas to work with farmers during 2010/2011 harvest

$300,000 to turn straw into power

Syngas and the Yorke Peninsula Alkaline Sols Group have secured a $300,000 grant to investigate the potential of using local chaff and residual straw to produce fuel and power.

If the investigation is positive, Syngas could have a biomass-to-power plant ready for operation with Syngas working within 12-24 months.

The $300,000 will contribute to an $800,000 project - which will start immediately.

"We are looking at using biomass to produce liquid and power but for both of those things we need to secure feed (enough chaff/straw) so that it's not a thing for the long-term," Syngas managing director, Merrill Gray, said.

"We are also importing technology from the USA to look at collecting the straw into two million pieces for low-cost, high-quality handling.

"Our hope is that the investigation will show us the best processes for biomass transportation and the costs involved."

"We are very positive a biomass-to-power plant will be quicker to establish as it uses more recognised technology (than biomass-to-liquids) and hope to have feedstock ready to go in 12-24 months."

YPASG chairman, Rod Faulkner, of Stansbury, will work with a Syngas engineer on the investigation.

"In 2009 I approached Syngas looking for opportunities for farmers where near Parkerville," Premier Mike Rann announced Syngas and YPASG had been successful in winning the funding from state government.

"Incidentally, in winning this funding from state government board, Renewables SA, on Tuesday, August 31.

2011-12: Biomass-to-power plant operational
2012: Biomass-to-premium diesel operational
2015: Cost-to-premium diesel operational

SYNGAS will investigate practical and cost-effective ways of collecting excess residual straw on a large scale from local farms.

The announcement comes after Renewables South Australia jointly awarded a $300,000 grant to Syngas and Alkaline Sols Group, Yorke Peninsula Alkaline Sols Group (YPASG).

This will under Syngas’ assessment of the viability of a biomass-to-Liquid plant in the area or other biomass projects.

Syngas managing director, Merrill Gray, said the project would be beneficial.

"We’ll be looking at practical and cost-effective ways of collecting residual straw," Merrill Gray said.

"It’s important to understand it will not be the primary crop - it will not be the staple.”

"Residual straw is the plant material which lies below the grain head but above the stubble remnants, which remain at ground level with the root system.

The program will involve specialist equipment trials, business process mapping, collection, storage and transportation process measurements - time, quality and costs.

Most work is set to take place after harvest this year.

Trials complete, report finished.
Schematic of Residual Straw

Curramulka figures are shown
Logistics Field Trials Overview

- FIELD TRIALS (Collection, Storage etc)
- FARMER SURVEYS (Supply Sentiment)
- SPATIAL MODELLING (Sustainable supply and quantities)
- CROP TRIALLING

COMMERCIAL RESIDUAL STRAW OPPORTUNITY ASSESSMENTS

1. POWER
2. ENERGY PELLETS
3. BIOMASS TO LIQUID FUEL
Fully Integrated Costs for Baling & Bulk Handling

**Baling** [$/t straw]
Using conventional (8x4x3ft) Baling processes

- Grower Payment: $40.00
- Collection: $30.14
- Storage: $4.08
- Transport: $11.36

Total Cost: $85.58

**Bulk Handling** [$/t straw]
Using Trailers

- Grower Payment: $40.00
- Windrow: $8.48
- Collection: $30.18
- Storage: $-
- Transport: $9.28

Total Cost: $87.94

* = Grower payment amount is the figure collected from Farmers through the Farmer Survey
• Syngas has received interest in progression of a Power project in the Yorke Peninsula
• Similar projects were announced in 2011

Other Projects

Other projects/feedstocks in under early stage assessment

Welsh company builds power plants in Romania

Cardiff, Wales-based renewable energy developer Eco2 is looking to develop two biomass-fired power plants in Romania.

Costing an estimated €100 million each with an installed power generation capacity of 40MW, the plants will be built in Sloboda, Tulcea county and Rosiori de Vede in Teleorman county.

The Sloboda-based plant is scheduled to break ground at the end of 2012 before it is completed in 2014. Eco2 explains that the power producer for this plant will be on privately-leased land, while the Rosiori de Vede project could possibly be developed with the assistance of the local council.

When operational, both the plants will handle wheat straw as the primary feedstock, but also straw from rape, sunflower and corn and woodchips. It is estimated each plant will be able to combust 240,000 tonnes of straw a year.

Eco2 plans to sign 12-year contracts with local farmers to bale straw for the projects. Feedstock for the plants will be sourced from within a 70km radius of the two locations.

‘Farmers get extra money and the company is building a market for a product where there was no market before,’ says Roger Preston, Eco2 representative for Romania.

Once the local authorities grant permission for the projects, Eco2’s next step will be to obtain a zoning certificate and grid connection permits from state power grid company Transelectrica.

Each facility could create up to 150 jobs.

Other feed material under review is Grape Marc
Coal to Liquid fuel (CTL)

- Sasol’s Secunda Plant located near Johannesburg in South Africa

Source: engineeringnews.co.za

Source: Joe Photography
www.panoramio.com
Clinton CTL Project Engineering

- Six Primary Plant Sections

<table>
<thead>
<tr>
<th>Primary Section</th>
<th>Work Completed</th>
<th>By</th>
<th>When</th>
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<tbody>
<tr>
<td>1. Coal Gasification</td>
<td>Feasibility Engineering Study</td>
<td>Siemens</td>
<td>August 2009</td>
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<tr>
<td>2. Gas Clean Up</td>
<td>Preliminary Engineering</td>
<td>UOP</td>
<td>July 2010</td>
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<tr>
<td>3. Gas Synthesis</td>
<td>Preliminary Engineering</td>
<td>Rentech</td>
<td>July 2010</td>
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<tr>
<td>4. Liquids Upgrade</td>
<td>Preliminary Engineering</td>
<td>UOP</td>
<td>July 2010</td>
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<tr>
<td>5. Coal Preparation</td>
<td>Confidentiality Agreement in place</td>
<td>RWE</td>
<td>Discussions underway</td>
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<tr>
<td>6. Coal Mining</td>
<td></td>
<td></td>
<td>Work on lower mining cost scoped</td>
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</tbody>
</table>

- Four Secondary Sections
- Fully Integrated Flowsheet model
- Financial Model
Victorian CTL Project

- Low salt, simplified process (syncrude produced and lower capital), leveraging off an existing coal mine (infrastructure, equipment and mining lease), modular approach

Victorian CTL plant

- 3500 bbl/day “Syncrude” (1.2 million barrels per annum)
  - A low sulphur refinery blending feedstock sold at > US$100/bbl
- 100 MWe export electrical power
- Using a simplified (more efficient) process with Natural Gas yielding:
  - Higher energy efficiency than previous plants
  - Low CO₂ footprint (Around 0.84 t/t raw coal)
  - At lower CAPEX per barrel produced.
- 4000 TPD bone dry nitrogen (by-product)
Highly focussed on project delivery

- Scale and capital involved for first project
- More “Carbon Efficient”
  - Utilises natural gas for pneumatic feeding of pulverised coal into the gasifier
  - Removes energy consumption through simplified plant.
- More “Energy Efficient”?
  - Innovative use of low grade steam generated entirely from within process for drying coal.
- Improved potential commercial returns

At crude oil price of around A/US$95/bbl, in excess of 20% return on investment could be achieved, higher returns at higher prices

Source: Syngas scoping study financial modelling 2011
Construction partnership established October 2010 with China National Electric Equipment (CNEEC)

- An EPC contractor with a delivery track record in energy projects
- On certain conditions, working with CNEEC, potentially up to 85% of funding for plant construction

The Syngas team with Mr Zhao Ruolin, President, China National Electric Equipment Corporation (CNEEC) and Mr Ruolin’s Interpreter, CNEEC

Source: Yorke Peninsula Country Times October 2010
Strategic Development Partnership

• On July 27th 2011 a Letter of Intent between Syngas and Kailuan Energy Chemicals Limited was signed

Background on Kailuan

• Established 1878, coal miner and processor
• In 2010
  • Ranked 103 amongst top 500 Chinese companies
  • Turnover of RMB 93 billion (A $13.3 b)

Kailuan visited Australia in early December 2011

Above: Mr Pei Hua, Vice President of Kailuan Energy Chemical Co Ltd and Ms Merrill Gray, Managing Director of Syngas Limited signing Letter of Intent Shown right
Post GFC energy demand growth

- Strong post GFC Energy Fundamentals provide the basis for development of this project

Source: Westpac Commodities group Sept 2011
Oil prices

• Strong post GFC oil prices are projected
• Diesel even stronger

Source: Westpac Commodities group Sept 2011
Summary

• The fundamentals remain strong, whilst significantly impacted by the GFC, and support Syngas’ continued energy (liquid fuel and renewables) business project development.

• Funds into the Company provide the basis for Syngas
  a) To continue to pursue a Strategic Development Partner (or partners) to progress the Company’s ready to develop projects.
  b) Or monetise the value that is inherent in Syngas’ Intellectual Property

• The Company’s 2012 objectives are to continue to progress our two focus projects:
  • Bomen
  • Victorian CTL project