



Media Release

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RECONFIGURED ZEROGEN PROJECT TO DELIVER LARGE-SCALE CLEAN COAL POWER PLANT BY 2017

ZeroGen Pty Ltd today announced the reconfiguration of the project into two stages to develop a world-leading demonstration low emission coal power plant by 2012, and one of the world's first large-scale low emission plants by 2017.

The ZeroGen project, which is integrating the clean coal technologies of coal gasification with carbon capture and storage to produce low emission baseload power, will now involve the development of a demonstration-scale plant and a large-scale plant.

The Queensland Government, Australian Coal Association's COAL21 Fund, and Shell Development (Australia) Pty Ltd have joined forces with ZeroGen Pty Ltd to configure "ZeroGen Mark II", which at large-scale will capture up to 90 percent of carbon dioxide emissions.

ZeroGen Pty Ltd Chairman Elizabeth Nosworthy said the new two-staged configuration of the project was aimed at "de-risking" the technologies whilst simultaneously accelerating their large-scale development.

"ZeroGen Mark II is a two-pronged 'learning by doing' approach that will deliver coal-based low emission power at a large-scale faster and with less risk than previously thought possible," Ms Nosworthy said.

"It strikes an important balance between accelerating large-scale deployment of the technologies and effectively managing their integration," Ms Nosworthy said.

"This will be achieved through first proving the technologies at a demonstration-scale to generate the relevant knowledge and experience, and then essentially 'copying and pasting' these learnings into the development of a large-scale plant.

"Siting of the large-scale plant in Stage Two will be determined in close collaboration with the Queensland Government to ensure that the economic needs of the State are met.

"It will be significantly influenced by commercial factors such as proximity to fuel supply, transmission and carbon dioxide sequestration infrastructure and will be one of the major items to be addressed in the Stage Two pre-feasibility study."

Chairman of ACA Low Emission Technologies Ltd (ACALET) Ross Willims said the new ZeroGen Mark II was the most logical path to deploying the technologies at a large-scale in the shortest possible timeframe.

"We are committed to improving the environmental performance of coal through supporting projects like ZeroGen that will help move us towards a low-emissions future," Mr Willims said.

"Through making coal more sustainable, ZeroGen will help secure the future of the industry, which in Australia generates exports worth \$24.5 billion, supports 130,000 jobs, and is of crucial importance to our national economy."

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ZeroGen CEO Dr Anthony Tarr said the project had further been buoyed through the recent endorsement by WWF-Australia and the CFMEU, one of Australia's largest trade unions representing workers in the mining and energy sectors.

"The support from WWF-Australia has reinforced the potential of the project, as part of a portfolio of approaches, to combating climate change through sustainable energy production," Dr Tarr said.

WWF-Australia CEO Greg Bourne said coal carbon capture and storage must play a role in reducing greenhouse gas emissions to avoid dangerous climate change.

"There is no single solution to climate change. The world must simultaneously become more energy efficient, halt and reverse the loss of forests, and replace traditional fossil fuel technologies with zero and low emission technologies," Mr Bourne said.

"Rapid deployment of demonstration plants like ZeroGen is necessary to determine whether CCS is practical for broad application."

Tony Maher, President of the Construction Forestry Mining and Energy Union said the CFMEU was fully supportive of the ZeroGen project.

"The project is good for the thousands of people working in the coal industry and good for the environment," he said.

"Our members are committed to Australia taking a lead role in developing solutions to climate change and ZeroGen is certainly paving the way forward in achieving this important outcome."

While the costs of the ZeroGen project to date have been met by the Queensland Government, the Australian Coal Association, through the COAL21 Fund is providing \$26 million to cover additional costs in the revised feasibility study for Stage One. The Queensland Government and ZeroGen will also be seeking Commonwealth Government funding support for the feasibility studies for Stage One and Two.

A decision on Stage One construction will be taken in 2009 following completion of the Stage One feasibility study.

Background

- Stage One of the ZeroGen project will involve an 80 megawatt net coal gasification plant located near Rockhampton in Central Queensland. Carbon dioxide emissions will be captured at site and transported approximately 220 kilometres for injection and safe storage in deep underground reservoirs in the Northern Denison Trough.
- Shell, a global leader in geosequestration technology, is providing substantial technical services in relation to the coal gasification technology and carbon capture and storage aspects of the project.
- Compared to the original project configuration, Stage One will involve a more efficient plant with a bigger power output using the latest state-of-the-art 6F turbine. The plant will capture up to 75 percent of carbon dioxide emissions and transport them via truck for sequestration.
- Stage Two of the project will be developed concurrently with Stage One and will involve the deployment of a large-scale 300 megawatt net coal gasification plant with carbon capture and storage facilities. A pre-feasibility study will investigate suitable areas in Queensland for the location of the project.

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