Annual General Meeting

Thursday, 29th November 2007

Offices of Chartered Secretaries Australia

Level 11, 500 Collins Street, Melbourne, Victoria 3000

Coldry®

Commercialisation of the Technology

What’s delivered

- Substantiates the value Coldry offers to clients
  - Coal sample testing (HRL)
  - Indicative Business Case Builder
  - Resource effective tools
    - *Overview, Enquiry templates, etc*
- Defines the capabilities & partners required to deliver value
  - ‘Bankable’ feasibility study (Arup)
    - *±5% CapEx & OpEx for 150K, 1.5M, 5M Tonne plants*
  - Financial models (Deloitte)
    - *DCF, IRR, Investment case etc.*
  - Financing Partners (TBA)
    - *Plant funding*
- Identifies & makes contactable the potential world market
  - Salesforce.com (CRM)
    - *>1,000 potential prospects*
    - *‘Indirect routes to market’ - Key industry supplier*
- Will generate sustainable revenue streams & asset growth
  - Domestic Consumption Royalty
  - Export Production Royalty
  - Shareholding / Dividends from plant SPV’s

Coldry®

"The world's most cost effective, immediately deployable, carbon emission reduction technology for Brown coal!"

Introduction to Coldry®

- World's 1st economic method of dewatering brown coal
  - Creating a stable, transportable black coal substitute
  - Transforming 62% moisture Latrobe Valley coal to 12%
  - Enhancing energy per tonne from 8.4 GJ to 24.6 GJ
- Immediately deployable in existing brown coal boilers
  - At 10% to 20% of total fuel load.

Efficiencies & Opportunities

- Cuts overall consumption of coal as a feedstock
  - Increasing ‘pit’ life & asset value
- Reduces Carbon emissions at ‘Front end’
  - Generating political, environmental & trading benefits
- Contributes to ‘water consumption’ strategies
  - Recovering 1,000L per 2 tonnes of Latrobe Valley coal used
- Reduces ash accumulation
  - Increases operational efficiencies & reducing removal costs
- Supports the case for upgraded boilers
  - Super-critical or gasification
- Enables new fuel reserves & export opportunities
  - Creating new, profitable revenue streams of existing assets.

Coldry® - Example

Generation Capacity	1,500 MW	
Production Capacity	12,600,000 MWh	
Start/Finish Coal Moisture	62%	12%
Efficiency	30%	50%

	Brown Coal	10% Coldry®		100% Coldry®	
Reduced - Coal use		-1,401,198 T	-7.8%	-10,624,390 T	-59.0%
Reduced - Carbon Emissions	$20.00	-1,090,166 T	-6.1%	-9, 803,780 T	-54.9%
Reduced - Ash Production	$50.00	-3,557 T	-2.2%	-73,493 T	-45.4%
Recovered Water	$0.00005	1,433,532,934 L		3,503,414,634 L	
CO2 Emissions per MWh	1.42 T	1.33 T -$6.24 MWh		0.64 T $9.81 MWh	
Cost - Per MWh	$7.14 MWh	-$7.99 MWh		-$6.06 MWh	
Fuel Cost - Surplus/Deficit		-$10,736,558	11.9%	$13,672,537	-15.2%
		$11.3 M (-12.6%)		$213.5 M (-237%)	
CapEx Required		-$160,200,000		-$336,600,000	
		<10 Years		<2 Years	

How we move forward?

- Establish the 'Initial Value'
  - Independently test 50kg Coal (HRL or other suitable lab)
  - Deliver indicative Report & Business Case, Deloitte tool
    - *Validated test results and financial models*
- Collaborate in development of 'Investment Case'
  - Q&A Disclosure
  - Internal & partner engagement and verification
  - Initial Financial modeling (DCF, IRR, etc.) with Deloitte tool
- Create 'Memorandum of Understanding'
  - Testing Agreement
    - *Test burn (e.g. 20T of Brown Coal processed into Coldry®)*
  - Initial 'Bankable Feasibility' design, by Arup
  - Cost Benefit Analysis & Business Case, by Deloitte
- Enter 'Licensing/Framework Agreement'
  - Confirm 'design', 'partners','royalties', SPV strategy etc.
  - Agree of ongoing arrangements

We have.....

- Target Customer
- Value Proposition
- Distribution Channels
  - Partner network.

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