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COAL UPGRADING TECHNOLOGY PROGRESS:

**SOLID ENERGY NEW ZEALAND BREAKS GROUND ON COAL UPGRADING PLANT
USING GTL ENERGY PROPRIETARY TECHNOLOGY**

Highlights:

- **Solid Energy New Zealand breaks ground for construction of commercial scale coal upgrading demonstration plant**
- **Plant employs GTL Energy proprietary coal upgrading process and equipment**

Adelaide, Australia and Christchurch, New Zealand - GTL Energy Ltd (GTL Energy) moved a step closer to commercial demonstration of its unique coal upgrading technology last week with the announcement that Solid Energy New Zealand (SENZ) has broken ground for the construction of its Maitua Briquette Plant.

GTL Energy CEO, Fred Schulte said "This is a major step forward in realising the commercial value of our unique technology for conversion of low-grade coal to higher rank fuel and for New Zealand in unlocking the value potential in deposits of lignite coal in Southland, NZ. The SENZ choice of GTLE's proprietary process and equipment represents a substantial vote of confidence in the technology and its readiness for commercial deployment."

GTLE and SENZ worked closely for several years to determine the best means of upgrading this significant lignite resource. Following upgrading of bulk quantities of this coal at GTLE's North Dakota plant and completion of briquette testing, GTLE and SENZ announced the signing of a license agreement and contracts in June 2011 for the design and construction of the Maitua processing plant.

The Maitua plant is anticipated to start production by mid-2012. Its initial phase of development will produce up to 90,000 tonnes a year of low-moisture and higher-energy briquettes from about 150,000 tonnes of lignite mined from Solid Energy's New Vale Opencast Mine.

SENZ has indicated that a decision to expand the scale of the Maitua briquetting plant will be made once the initial phase of the plant has successfully met their objectives of producing low-moisture, higher-energy briquettes which have proven their value in New Zealand and international markets.

"Our unique and proprietary coal upgrading process (coal drying / beneficiation) removes moisture from low rank coals to produce low moisture, high energy and mechanically strong briquettes without binders and without creation of environmentally hazardous waste streams. The technology improves the efficiency of low rank coals ensuring a reduction in emissions including CO₂ and volatiles, as well as increasing the market value of low rank fuels." said Schulte.

"Our capability to demonstrate performance on bulk quantities of raw material using commercial scale equipment at our North Dakota plant has clearly proven to be advantageous to GTLE and its potential clients. Processing of bulk quantities of a range of low rank coals from around the world at this plant

has shown that their moisture content has been reduced by an average of 65%, increasing their energy content by 40-50%. Additionally, our modular approach to design and construction provides flexibility, allowing it to be deployed cost-effectively at a commercial scale without the risks frequently associated with scale-up."

GTLE commissioned its North Dakota plant in June 2010. The North Dakota plant is designed as a single module commercial scale plant to demonstrate the effectiveness of GTLE technology and the capabilities of actual processing equipment to coal consumers and producers from around the world.

About GTL Energy Ltd (GTL Energy or GTLE)

GTL Energy was established in Australia, and since 2004 has developed its coal upgrading technology at its pilot plant in Colorado, USA and its commercial scale demonstration plant in North Dakota which was completed in 2010. The company has focused on researching and developing technology to convert low-grade coal into higher-rank fuel by removal of moisture and conversion into briquettes which feature higher energy content, reduced emissions, improved handling and transportation characteristics and increased market value.

About Solid Energy New Zealand Limited (Solid Energy or SENZ)

Solid Energy is the largest coal producer in New Zealand of coking, thermal and specialist coals. Solid Energy is pursuing several projects to upgrade the vast South Island lignite deposits including through briquetting with GTL Energy, as well as lignite conversion to urea and coal-to-liquids.

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