



ASX Announcement
31st August 2010

SYNGAS LIMITED
(“Syngas” or “the Company”)

**RenewablesSA Grant Supporting Non-food Biomass
Logistics Field Trials in the Yorke Peninsula Area Announced**

Highlights:

- **Syngas and the Yorke Peninsula Alkaline Soils Group (YPASG), a local crop farmers group, have jointly been awarded a \$300,000 grant from Renewables South Australia (SA).**
- **Syngas and the YPASG will use this grant, along with in-house resources, to assess the costs for various methods of large scale collection, storage and transportation of non-food biomass, specifically chaff and residual straw.**
- **This work will underpin Syngas’ assessment of the viability of a Biomass-to-Liquid plant in the area or other Biomass projects.**
- **Most work will take place post harvest 2010.**

Today the Premier of South Australia, Mike Rann, announced that a A\$300,000 grant has been jointly awarded by Renewables SA (www.renewablessa.sa.gov.au) to Syngas Limited (ASX: SYS) and the Yorke Peninsula Alkaline Soils Group (YPASG). This grant, in addition to in-house resources, will be used to complete large scale logistics management field trials on the Yorke Peninsula and Mid North.

This is the first step in establishing the commercial viability of an entirely non-food Biomass-fed 1,200 barrel-per-day, liquid transportation fuel plant in the Yorke Peninsula area. The field trial outcomes will also allow other Biomass projects to be assessed, for example, bio-power generation.

The program will involve specialised equipment trials, business process mapping, collection, storage and transportation process measurements (i.e. time, product quality, and costs) as well as comparative process/method performance measurement.

The focus will be on commercial scale collection, storage and transportation of:-

- Cereal crop by-products, namely chaff and residual straw; and
- Non-food biomass energy crops, planted as part of an overall farm management / crop rotation cycles to maintain or enhance overall soil productivity and primary crop production capacity.

Chaff and residual straw are defined as shown in Figure 1 below.

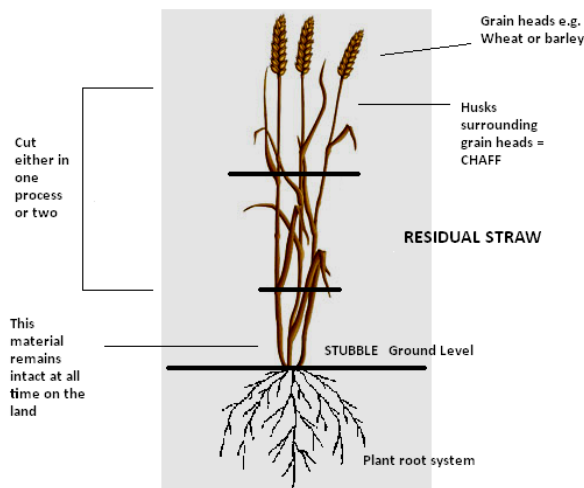


Figure 1: High Biomass yield plant residual straw and chaff

Selection of non-food Biomass energy crop varieties will be part of the program of work.

Location:

The logistics management field trials will take place on the Yorke Peninsula and Mid North of South Australia. Together these areas have been assessed by the Grains Research and Development Corporation as one of eight “stubble hotspots” in Australia, as shown in Figures 2 and 3 below.



Figure 2: National “Stubble Hot Spots”

Source: Grains Research and Development Corporation 2008 report

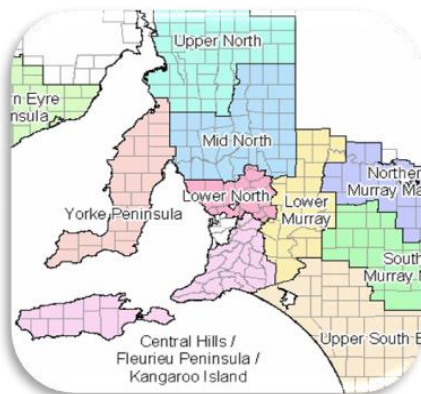


Figure 3: Crop reporting districts (PIRSA)

Source: Crop and Pasture Report, October 2008

Syngas and the YPASG will now proceed to secure access to trial areas and will now lease and procure specialised trial equipment. Most of the field trial work will occur post harvest 2010 and be completed by early 2011.

The work will be managed by two staff from within Syngas and YPASG.

The trials have been designed to assess non-food biomass collection, storage and transportation costs as part of a broader project economics and sustainability assessment for a Biomass to Liquid (BTL) project.

On January 28th 2010 the Company announced a Memorandum of Understanding (MoU) with Rentech (NYSE AMEX: RTK). This MoU covers a twelve month commercial viability assessment around the use of Rentech's technology to develop a non-food biomass synthetic fuels ("synfuels") BTL project in Australia.

The aim of the field trial work is to establish reliable, sustainable, cost-of-feed information as input into Syngas' BTL commercial viability assessment.

Rentech is developing a Biomass to Energy project in Rialto, California. The Rialto project is expected to be commissioned in late 2012/early 2013. It is being designed to produce approximately 640 barrels per day of pure renewable synthetic fuels and 35 megawatts of renewable power. In June 2010 Rentech announced that Fluor Corporation (NYSE: FLR) had been appointed to provide front-end engineering and design (FEED) services for the Rialto Project. This FEED and subsequent engineering along with plant construction and operating knowledge for Rialto may be leveraged into a project in Australia.

An Australian BTL project could come on line as early as 2013 and has the potential to create approximately 55 full time jobs and yield approximately 1,200 barrels per day of ultra clean diesel from a close-to-zero carbon footprint production facility.

The commercial viability of other Biomass projects, in power generation, will also be assessed based on the logistics management field trial results.

Syngas' Biomass activities and initiatives, including the Australian BTL project and Bio-power developments are being completed separately, in parallel with the progression of the Bankable Feasibility Study for the Company's Clinton Project.

Ends:

About Syngas Limited

Syngas Limited (www.syngas.com.au), incorporating the Clinton Project following the acquisition of Syngas Energy Limited in January 2008, is an ASX listed oil and gas business with, as a core project, an ultra-clean diesel production coal to liquid project located in South Australia which is at Bankable Feasibility Study stage of development. One of Syngas' granted mineral exploration licences covers an area of 288km² north-west of Adelaide, over known coal deposits within the Clinton Coal Measures, located in the Northern St Vincent Basin Coalfields, north of the Gulf of St Vincent. Syngas also holds a granted mineral exploration licence over a 143km² area, south-east of Adelaide, covering the known coal deposit of Moorlands.

In September 2009 Syngas entered into a Joint Venture with Resolve Geo Pty Ltd over two mineral exploration licences covering a total area of 79km² within the Gippsland Basin, a producing coal area, in Victoria, and potential further project area for Syngas. In June 2010 289 million tonnes of JORC classified Coal Resources (inferred) were announced in this area.

In January 2010 Syngas announced that a viability review over a 100% non-food biomass fed ultra-clean diesel production facility, modelled on Rentech Inc's (NYSE AMEX: RTK) Rialto Project in California, USA, would take place over the next 12 months, with other biomass projects also under review by the Company.

For further information contact:

Merrill Gray
Managing Director
Phone: (08) 8232 8455
Email: enquiries@syngas.com.au