



## **ASX ANNOUNCEMENT**

### **CLEAN GLOBAL ENERGY SIGNS UCG LICENSING AGREEMENT WITH INDIAN ENERGY MULTINATIONAL ESSAR – POTENTIALLY WORTH MORE THAN US\$150M PER PROJECT**

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February 10, 2011: Clean Global Energy has entered into a binding Heads of Agreement with Mumbai-based oil, gas and power multinational, Essar, to provide its UCG technology and expertise under a Technology Licence Agreement (TLA).

Essar, a \$20B Indian energy major, is one of India's largest private sector companies and is engaged inter-alia, in the business of oil and gas exploration and production, refining of crude oil, manufacturing, processing, transmission, distribution and marketing of petroleum products.

Key terms of the agreement are commercial in confidence, however under the agreement, CGE will be required to deliver and operate a pilot and subsequent commercial UCG plant. Under the TLA CGE will hand over operations of the plant to Essar within 3 years of commissioning the commercial plant. The TLA is triggered if Essar is granted a UCG block/s by Coal India Limited, its subsidiaries or any other body corporate or government authority. Whilst the final bidding approvals are not yet complete both Essar and CGE are confident of obtaining approved UCG blocks. CGE is currently assisting Essar to complete the bidding approval process during which time CGE will generate fee based income under the HoA.

Mr John Harkins, Clean Global Energy's Chairman, said "We believe the partnership with Essar has the potential to generate major revenue for our company through licencing fees that represent the significant value of our UCG technology, service fees to build and operate the UCG Syngas plant, and royalty income from delivered Syngas product to be sold by Essar. We expect to be generating the first license and service fees in the next six months."

Essar will free carry CGE for 20% equity through to a commercial UCG Syngas plant, at which time CGE will pay for that equity at cost (~US\$30m) which should have a valuation of at least US\$100m based on NPV modelling.

Anticipated revenue streams for each potential project are as follows:

- Licencing and project management fees during design, construction and commissioning (US\$50m to US\$60m); and
- Production royalties of US\$15m to US\$20m after achieving commercial production.

“Licence fees are per project and we expect to enter into more technology licence agreements under similar terms and conditions,” Mr Harkins said.

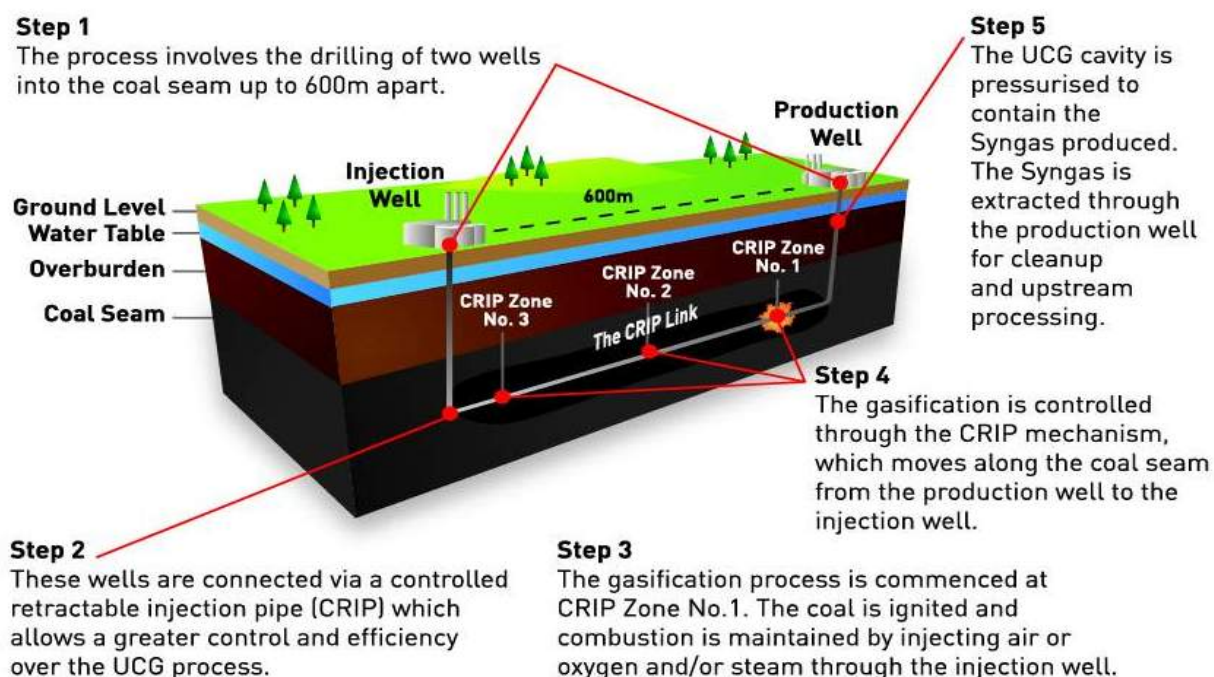
“CGE is excited by the partnership with Essar and continues to pursue cleaner coal commercial projects worldwide, that may inject significant revenue into our company and deliver solid shareholder value.”

“Together with our Oklahoma project with US energy giant, AES Corporation, announced in December 2010, this agreement with Essar is yet more proof that major international energy companies understand we are at the leading edge of global commercial UCG technology and projects,” Mr. Harkins said.

## ABOUT CLEAN GLOBAL ENERGY

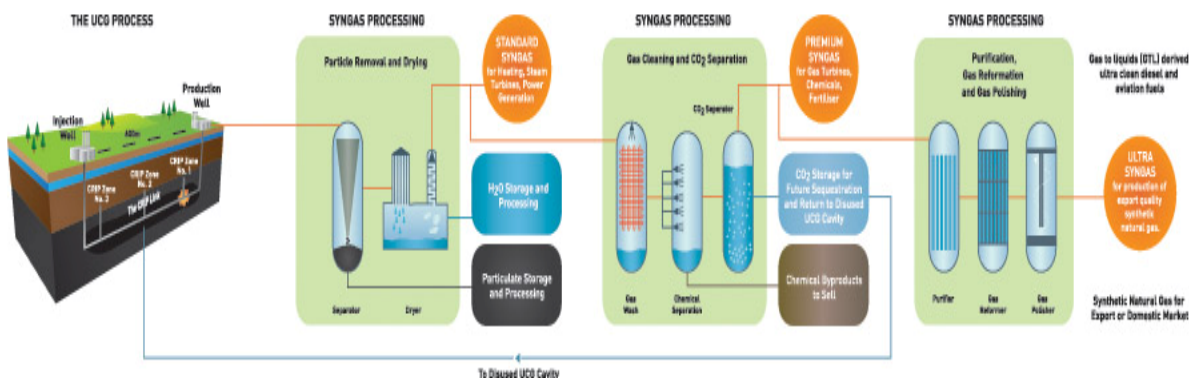
Clean Global Energy is a global energy company that can produce Syngas for use in heating, power generation and the production of chemicals, fertiliser, ultra clean diesel and aviation fuels.

Clean Global Energy uses a process called Linear CRIP Underground Coal Gasification (UCG) to produce Syngas. Here is how it works.



Clean Global Energy's advanced Linear CRIP (Controlled Retractable Injection Point) UCG process provides greater efficiencies and control with less overall operating and capital costs.

Once the raw UCG Syngas exits the Production Well it is passed through a number of processes capable of producing Regular, Premium or Ultra Syngas depending on the requirements of our clients.



Clean Global Energy's primary business focus is on providing a range of Syngas products to meet client needs and demands. Typical users of Syngas are power generators, chemical, fertiliser and petroleum producers.

Clean Global Energy partners with other companies in the development of solution packages to produce cleaner power from coal, synthetic natural gas and ultra clean fuels. Clean Global Energy also licences its technology globally.

Clean Global Energy currently has projects in the US, India, Australia and China. Australian projects are focused on development of Clean Global Energy's own extensive coal tenement portfolio into commercial income-producing assets.

Clean Global Energy is a dynamic company that is quickly growing into a major international alternate energy company. You'll find more information at [www.cleanglobalenergy.com.au](http://www.cleanglobalenergy.com.au), including opt-in alerts to receive updated information, as it happens.

For more information on this announcement please contact Mr John Harkins on +61 2 9230 0318.

Yours faithfully,

John Harkins  
Chairman

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