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Methane-to-Methanol Technology Developer Seeks \$50 Million

Walloon Lake-based Gas Technologies LLC said this week that it's seeking \$50 million to continue to develop its gas-to-liquid processing technologies.

The company's latest developed process, GasTechno, produces liquid methanol, which can be burned as a fuel in engines, from methane and ethane gas.

Unlike existing technologies, GasTechno is a single step process that does not require the intermediary production of syngas.

The methanol obtained is used by producers of various end products including alternative fuels, fuel additives, plastics and solvents.

GTL's technology can process gas from various sources and quality, including sour gas, high nitrogen gas, high ethane gas and stranded gas, without pre-treatment.

GasTechno is targeting four specific sources of methane: off-spec natural gas, landfill gas, biogas and associated gas from oil production.

The simplicity of the process makes it transportable and scalable to small scales projects, where GasTechno demonstrates significant economic advantages compared to existing methane-to-methanol technologies where complexity involves more costs.

GasTechno is patented in the United States and has additional patents pending in a further 50 countries.

The company's business plan considers various revenue streams: royalties (for methanol gross sales outside North America), chemical sales (sales of methanol within North

America), licensing (for each region and each site that uses the GasTechno process), leasing and equipments sales.

Walter Breidenstein, general manager at GTL, said the \$50 million would be used to complete pilot plant construction and start global commercialization.

Apart from the United States, the company plans to target China, Europe, Russia and Nigeria. Breidenstein stressed that several global companies in the oil, gas and petrochemicals industry have expressed an interest in being involved in the project after successful pilot plant testing and validation.

Types of investors sought include banks, hedge funds and carbon funds. Breidenstein added that GTL is also looking to develop partnerships with global engineering firms to assist with the manufacturing and operating process. He forecasts profitability to be reached in 2010 and has estimated the current valuation of the company at \$690 million using the average of three valuation methods (Net Present Value, Venture Capital and First Chicago). According to Breidenstein, a third-party validation of the valuation has been asked for.

Please contact Walter Breidenstein, General Manager, at: walterb@gastechno.com for more information on Gas Technologies LLC.

More at www.gastechno.com.

The company said it bases its valuation on its ability to reduce methane gas flaring, and could have even more value if used in conjunction with other biofuel production networks and in terms of carbon credits.

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