



Project News

The Kentucky Division of Air Quality (KDAQ) has completed its initial review of the Kentucky NewGas air permit application.

KDAQ has reviewed the application and is working with Kentucky NewGas to resolve any questions they have about how the application was prepared. KDAQ now has all the preliminary information they need to prepare a draft permit.

Once satisfied that the permit application complies with Kentucky regulations, and KDAQ completes its preliminary air modeling, KDAQ will issue a draft permit.

Issuing the draft permit begins the process for public involvement.

We invite supporters of the Kentucky NewGas project to share comments about the project with KDAQ and other public officials.

Watch for more details in future newsletters and the Kentucky NewGas website on how you can participate in the public comment phase.

KGS Test Well

Drilling of the Marvin Blan #1 well began on April 23 in Hancock County. The 8,300 foot well will help to determine the feasibility of long term storage of carbon dioxide to help reduce emissions of greenhouse gases into the atmosphere. The project is a joint effort between Kentucky state agencies, the Kentucky Geologic Survey (KGS), and a consortium of private companies, including ConocoPhillips and Peabody, the developers of Kentucky NewGas.

“Research to help us safely and permanently store carbon dioxide in the deep geology of Kentucky is one of the most important steps toward reaching our goals of becoming more energy secure, protecting the health of our citizens and the environment, and revitalizing Kentucky’s economy,” said Kentucky Gov. Steve Beshear.

NorAm Drilling, Inc. of Houston, Texas was selected to drill the well. Drilling is expected to take 45-60 days. To protect shallow groundwater, the upper 3,650 feet of the well will be lined with steel casing.

The project will drill through the Knox and into the Mount Simon formations to test their ability to store carbon dioxide. Samples will be taken for testing and analysis, and up to 1,500 tons of carbon dioxide will be injected and monitored.



Marvin Blan #1 Well – Hancock County



NorAm Drilling rig on site



Kentucky Officials Tour Gasification Facility



Kentucky NewGas provided tours of the SG Solutions gasification plant located on the Wabash River in Terre Haute, IN. Officials from Muhlenberg County visited the site on April 13 and on April 14 a delegation from the Kentucky Department of Air Quality came to visit this award winning power plant.

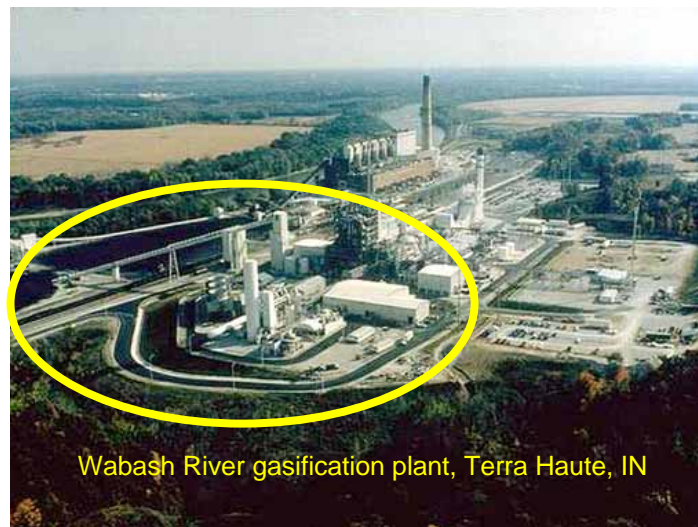
The SG Solutions plant uses ConocoPhillips' proprietary E-Gas gasification technology to convert petroleum coke or coal into a clean

gas before sending it to a combined cycle gas turbine for power production. The Wabash plant is considered one of the cleanest coal or petroleum coke fueled power plants in the world and produces power for more than 200,000 homes (262 MW). The gasification section of the SG Solutions plant is very similar to the gasification plant that is planned for Kentucky NewGas.

This tour allowed local officials from Muhlenberg County the chance to see a working gasification plant up close so they could better understand what to expect from this new energy facility in their community.

Kentucky NewGas also provided a tour and answered questions for delegates from the Kentucky Department of Air Quality to help them better understand the process and the proposed air permit application for the Kentucky NewGas project.

Despite the sporadic rainfall during the tours, both groups benefited greatly from the visit.



Wabash River gasification plant, Terra Haute, IN

Kentucky NewGas Update

May 15, 2009



Greater Owensboro Chamber of Commerce Meeting

Kentucky NewGas was the featured presentation at the monthly "Rooster Booster" breakfast meeting of the Owensboro Chamber of Commerce on May 7 at the Owensboro Christian Church.

Brian Brau, of Peabody Energy, and Sarah Edman from ConocoPhillips gave a presentation on Kentucky NewGas to about 250 area chamber members and guests. The event was carried live on local Owensboro radio, 1420AM WVJS and 105.5 FM as well as streaming on the internet.



Kirk Kirkpatrick, MC of the Rooster Booster Breakfast on the "Good News Phone"



Brian started the presentation with a short three minute video of Kentucky NewGas. He explained that Peabody and ConocoPhillips were drawn to Kentucky because of its abundant coal resources, outstanding local labor, and its strong support for new coal facilities, including coal gasification.

Sarah Edman outlined the environmental benefits of ConocoPhillips E-Gas technology, which has lower air emissions when compared to a similar sized coal fired power plant. The process captures carbon dioxide and is thus "storage ready." Peabody and ConocoPhillips are investigating several long term underground storage opportunities for the carbon dioxide.

Kentucky NewGas is expected to employ 1,200 construction workers and 500 long-term jobs with a net economic benefit to the region of \$100 million annually.

Sarah urged chamber members to get involved in the permitting process and to publicly support the project.



Brian Brau, Peabody Energy

Kentucky NewGas Update

May 15, 2009



Greater Muhlenberg County Chamber of Commerce

Hank List, Deputy Secretary
Energy & Environment Cabinet



After a very successful meeting in Owensboro, the Kentucky NewGas team traveled south to Greenville for the monthly Greater Muhlenberg County chamber meeting at the Second Baptist church.

An estimated 300 Muhlenberg County chamber members, public officials, and guests attended the luncheon meeting.

Gary Carver, Muhlenberg Chamber President welcomed the large gathering. After an invocation by Pastor Ray England, Muhlenberg County Judge Executive Rick Newman introduced a number of local and state elected officials who were present on stage and in the audience.

Judge Newman then introduced his long time friend and colleague, Hank List, Deputy Secretary of the Kentucky Energy & Environment cabinet. Secretary List gave opening remarks noting that Kentucky NewGas is important to the future of energy in Kentucky and is endorsed strongly by Secretary Peters, Governor Beshear, and the state legislature.

Sarah and Brian gave a 30 minute presentation on Kentucky NewGas including the 3 minute video. Both the presentation and video are available on the Kentucky NewGas website.



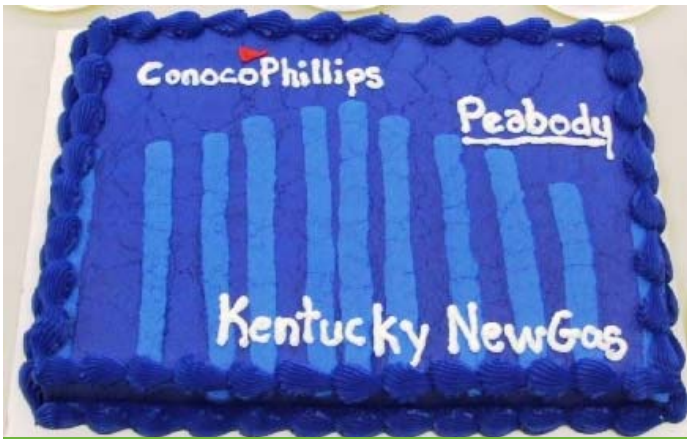
Sarah Edman,
ConocoPhillips

Kentucky NewGas Update

May 15, 2009



More Photos from Kentucky



The Muhlenberg County Chamber even baked a special cake!

May 14 and the KGS well is halfway there!



Owensboro Chamber members hear about Kentucky NewGas

Kentucky NewGas Briefs

- Kevin Elm from ConocoPhillips gave a luncheon talk about Kentucky NewGas to 40 elementary and secondary science teachers from around the state. The luncheon was part of the NEED Project workshop on February 26 at the Kentucky Derby Museum. NEED is a national program dedicated to improving energy education. <http://www.need.org/>
- Kentucky NewGas attended the Third Energizing Kentucky Conference in Lexington on April 15-16. Sarah Edman, of ConocoPhillips represented the project. This conference series was organized by Kentucky college presidents to address the future of energy in the state. It was a chance for educators, state officials, industry, and other concerned citizens to exchange ideas and information. For more details go to: <http://www.energizingkentucky.org>
- Media day at the Kentucky Geologic Survey carbon dioxide test well was held on May 14 at the well site in Hancock County. Look for more information on the website and in the next newsletter.