

**OFFICE OF THE GOVERNOR**  
**Communications Office – Gov. Joe Manchin III**

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**Contact: Lara Ramsburg**  
**304-558-2000**

**NATION’S FIRST MODERN COAL-TO-LIQUIDS PLANT  
TO BE BUILT IN WEST VIRGINIA**

*Gov. Manchin joins Sen. Rockefeller and local officials, with support from Sen. Byrd,  
and West Virginia Congressional delegation to announce CONSOL and SES  
will invest \$800 million in Marshall County CTL facility*

BENWOOD, W.Va. – Gov. Joe Manchin today joined Sen. Jay Rockefeller, with support from Sen. Robert C. Byrd and West Virginia’s Congressional delegation, and officials from CONSOL Energy, Synthesis Energy Systems (SES) and the Regional Economic Development Partnership (RED), to announce a project that will help propel the State of West Virginia to the forefront of national energy leadership: The construction of the nation’s first modern coal-to-liquids plant here in the state’s Northern Panhandle.

“It’s clearer than ever that one of the biggest issues our state and country faces is meeting our energy needs,” Manchin said. “Technological solutions like this plant at Benwood will lead to more environmentally friendly ways to use our coal and hold the key to America’s energy security.

“I am committed to making West Virginia the leader in clean coal technology and the construction of clean coal power and fuel liquefaction plants. We have the resources and expertise to realize our goal.”

Rockefeller said the project will give West Virginia an opportunity to show the world that the state is a global leader in energy issues and modern coal technology. “We are in the midst of a serious energy crisis in America. Today, with this project and others in the works, West Virginia is announcing to the world that we're not waiting around anymore,” Rockefeller said.

“We’re getting started with a CTL plant that will create jobs, meet modern environmental standards and develop our most abundant domestic resource - coal. This plant will help put our state and our country on the path to energy security and greater economic growth.”

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Byrd said, “America cannot meet its energy needs. West Virginia has the coal, the brains, and the determination to meet that challenge and demonstrate to the world that we intend to be part of the solution.”

CONSOL, the nation’s largest producer of bituminous coal, and SES, a global industrial gasification company, intend to develop through a joint venture, their first U. S. coal gasification and liquefaction plant in West Virginia -- an \$800 million investment. The boards of directors of CONSOL and SES have authorized funds for development activities, including the front-end engineering design (“FEED”) package. Each member company will contribute equally to this phase of the project. CONSOL and SES have formed Northern Appalachia Fuel LLC (NAF) as the company through which the development will occur.

“This project has the potential to transform West Virginia from a major coal-producing state to a national energy center as well,” said J. Brett Harvey, president and CEO of CONSOL Energy. “By converting some of our region’s abundant, high-Btu coal into gases and liquids, not only will we create economic value for the state, but we will help West Virginia become the linchpin of American energy security,” Harvey said.

Tim Vail, president and CEO of SES, said he is proud of the progress toward development of the plant and that they appreciate the state’s and RED’s support. “Together with our partner, CONSOL Energy, we will be taking a first step toward securing energy independence in the U.S. as we convert raw and residual coal from CONSOL’s Shoemaker mine and plant into gasoline in an environmentally responsible and cost-efficient manner.”

The FEED will include a carbon management strategy that will focus on carbon sequestration in a deep saline aquifer. At a later date, NAF will file for environmental and other permits necessary for the construction of the plant.

CONSOL and SES propose to site the plant near Benwood in Marshall County on a brownfields redevelopment site. The plant is expected to be a “mine mouth” facility with feedstock supplied directly from CONSOL’s nearby Shoemaker complex. The feedstock will be a blend of run-of-mine coal and coal otherwise not recovered in the normal preparation process.

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Don Mason, president of the Marshall County Commission, said this investment will help to stabilize the region’s economy for years to come. “We want to thank Consol, SES, the City of Benwood, the State of West Virginia and RED for their foresight and commitment to this project,” Mason said.

Coal will be converted to synthetic gas using SES proprietary technology. The syngas would be used to produce about 720,000 metric tons per year of methanol that can be used as a feedstock for the chemical industry. Officials expect the project will be capable of converting methanol to about 100 million gallons per year of 87 octane gasoline. NAF is negotiating with ExxonMobil Research and Engineering to license their proprietary methanol-to-gasoline technology. As envisioned, the project will include a river terminal facility, where products will be stored in tanks for off-loading into barges for ultimate delivery.

CONSOL and SES also have signed a memorandum of understanding (MOU) with the State of West Virginia and its partner, the Regional Economic Development Partnership, a private West Virginia non-profit development corporation focused on generating business opportunities through job creation and economic stimulus in Ohio, Marshall and Wetzel counties. Under the provisions of the MOU, the state and RED will provide financing and tax incentives to the project over a 10-year period.

Harvey thanked the State of West Virginia and the RED for their assistance and support of the project. “In every conversation I have had with Gov. Manchin in recent years, we have talked about ways to leverage West Virginia’s coal position into a national energy leadership position -- a position in which jobs, economic growth, and the enhancement of American energy security flow from the harnessing of West Virginia’s resources and the ‘can-do’ attitude of its people,” Harvey said. “His vision is sound. With West Virginia’s help, our success with this plant will make the vision a reality.”

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