



News Release

Nexterra to Commercialize Gasification Technology for Heat and Power Applications in the Forest Industry

Vancouver, BC - July 25, 2003 - Nexterra Energy Corp. today announced plans to commercialize its gasification technology for heat and power applications in the solid wood processing industry. Turnkey energy systems will be designed to convert wood residue produce at sawmills, plywood mills and veneer plants, into clean thermal energy. This will enable mills to reduce energy costs, become more energy self-sufficient, and lower greenhouse gas emissions by displacing natural gas and grid-purchased electricity.

Canada's solid wood manufacturing industry consumes approximately 35 TJ of natural gas annually for process drying and heating. Recent increases in natural gas prices mean that natural gas is now one of the most significant costs of manufacturing facing the wood products industry. Using bark and hog fuel to displace natural gas is currently the highest value that a mill can derive from its lowest value by-product.

"The solid wood manufacturing sector is an ideal first application for Nexterra's gasification technology," said Jonathan Rhone, Nexterra President and CEO. "Mills that convert to wood-fired energy systems are much better positioned as low cost producers than mills relying on natural gas. We believe our gasification technology offers a highly competitive alternative to conventional combustion equipment due to its low emissions, design simplicity, user friendly operation, low cost and versatility.

Nexterra plans to introduce gasification-based energy system products sized up to 100 MMBtu/hr net output for thermal applications, and up to 5 MWe for electricity and cogeneration applications. Energy systems will be based on Nexterra's proprietary fixed-bed gasification technology that will be integrated with fuel handling and heat recovery equipment and supplied to customers as turnkey packages.

About Nexterra Energy Corp. - Nexterra Energy develops, manufactures and delivers advanced gasification systems that convert solid fuels into clean, low cost heat and power. Our energy solutions enable industrial customers to self-generate energy using waste or residuals produced on-site. This results in dramatically lower energy costs, increased energy security and less reliance on natural gas and grid-purchased electricity.

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