

## **Nexterra Launches Program to Develop Direct-Fired Syngas Solutions for the Pulp and Paper Industry**

**Vancouver, BC - October 5, 2005** Nexterra Energy Corp. today announced plans to develop new, direct-fired applications of its gasification technology for customers in the pulp and paper sector. Applications are designed to directly fire syngas into power boilers, package boilers and lime kilns to substitute high priced natural gas. The new systems will be performance tested at Nexterra's pilot plant and demonstrated at customer sites.

Canada's pulp and paper sector consumes approximately 170 million gigajoules (GJs) of natural gas and fuel oil each year at a cost of over \$1.5 billion. The cost of natural gas has increased by 400% since the mid 1990s to the point where North America now has the highest natural gas prices in the world. Higher and more volatile fuel costs are a major contributor to the severe competitive pressures that the pulp and paper sector is experiencing.

"Our technology provides a unique solution for power boilers and lime kilns unattainable by conventional combustion equipment," said Phil Beaty, Nexterra's Director of Sales and Marketing. "High fuels costs have become a liability for the pulp and paper industry. Our customers can no longer rely on the gas utility to supply stable, low cost fuel. Therefore they are demanding rapid-payback solutions to self-generate their own fuels, heat and power using wood and other non-conventional fuels."

"This is a significant investment program for Nexterra and the next stage in our product development pipeline," said Jonathan Rhone, President and CEO of Nexterra. "Direct-fired syngas solutions for pulp mill applications will provide our customers with greater energy security and lower costs at an attractive return on capital compared to conventional energy projects. We believe this has the potential to positively impact the industry's energy cost structure."

**About Nexterra Energy Corp.** - Nexterra Energy develops and manufactures advanced gasification systems for industrial customers. Our gasification technology converts solid fuels into clean burning syngas which is used as a direct substitute for natural gas to produce heat and/or power. Nexterra's energy solutions enable customers to dramatically reduce costs by self-generating energy using low cost fuels or residuals. This provides long term energy security and reduces reliance on conventional energy sources. For more information, visit our website at [www.nexterra.ca](http://www.nexterra.ca).

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