

B.C. GOVERNMENT SELECTS NEXTERRA BIOMASS GASIFICATION FOR TWO INNOVATIVE CLEAN ENERGY (ICE) FUND PROJECTS

Vancouver BC – July 18, 2008 – The B.C. Government has selected Nexterra Energy's biomass gasification technology (www.nexterra.ca) to anchor two of 15 projects under the Innovative Clean Energy (ICE) Fund, announced today by Technology, Trade and Economic Development Minister Ida Chong and Energy, Mines and Petroleum Resources Minister Richard Neufeld.

"Clean energy will play a key role in building a vibrant and prosperous green economy in British Columbia," Chong said. "These investments demonstrate our commitment to develop innovative technology that will result in new sources of abundant, clean energy serving the needs of local communities and residents across the province."

The \$25 million ICE Fund supports the BC Energy Plan and the government's goals of electricity self-sufficiency by 2016 and cutting greenhouse gas emissions by 33 per cent by 2020.

"We're building on B.C.'s proven track record in bringing innovation to the energy sector by funding these 15 projects," said Neufeld. "By delivering on this BC Energy Plan commitment, we're leading the effort to meet our ambitious greenhouse gas emission reduction and clean energy targets."

Nexterra's gasification technology converts wood residue into renewable synthesis gas – or "syngas" – that displaces fossil fuels for heat and power at industrial and institutional sites.

"Nexterra is thrilled to be a part of this B.C. clean energy showcase," said company President and CEO Jonathan Rhone. "We look forward to working with UNBC, Kruger and other BC companies to develop gasification projects that meet their energy needs in ways that significantly reduce both costs and greenhouse gas (GHG) emissions. We're also pleased that our proven technology is helping position BC as a world leader in alternative energy and power technology."

ICE Fund projects announced today include:

Biomass Gasification Project at University of Northern British Columbia Prince George – \$3.5 million

UNBC is proposing to work with Nexterra Energy Corporation to implement a system to gasify mountain pine beetle infested biomass, producing heat to fire a boiler at the power plant on campus to heat university buildings. This showcase project, the first of its kind at a Canadian university, will be a catalyst for replication, research and economic development. Biomass gasification could displace up to 80 per cent of the fossil fuel currently used to heat buildings on the UNBC campus.

Direct Fired Boiler Biomass Gasification Demonstration Project New Westminster – \$1.5 million

Nexterra Energy Corporation will work with FP Innovations and Kruger Products Ltd. to apply its biomass gasification technology for industrial use. The consortium will demonstrate a direct fired biomass gasification system (turning forest/wood waste into gas to produce heat) for use at the Kruger tissue mill in New Westminster. ICE Fund support will help achieve replication and commercialization of the process.

For a complete list of ICE Fund projects, visit the BC Government website:

http://www2.news.gov.bc.ca/news_releases_2005-2009/2008TTED0032-001114.htm



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News Release

About Nexterra Energy Corp. – Nexterra Energy is a leading developer and supplier of advanced gasification systems that enable customers to self-generate clean, low cost heat and/or power using waste fuels "inside-the fence" at institutional and industrial facilities. Nexterra gasification systems provide a unique combination of attributes including design simplicity, reliability, versatility, ultra-low emissions, low cost and full automation to provide customers with a superior value proposition compared to conventional solutions. Nexterra is a private company based in Vancouver, BC, Canada.

For more information: www.nexterra.ca

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