



MEDIA RELEASE

Thursday 28th February 2013

LICELLA AWARDED FEDERAL GOVERNMENT ADVANCED BIOFUELS INVESTMENT READINESS (ABIR) GRANT

Licella is, today, one step closer to the commercial production of commercial quantities of Bio-crude oil with the Australian Government announcing it has awarded the company \$5.4 million through the Australian Renewable Energy Agency's (ARENA) Advanced Biofuels Investment Readiness Program.

Licella will use the funding to conduct a de-risked feasibility study in order to produce an investment case for the Company's first Pre-commercial module in Australia.

"With the support of the Federal Government via the Advanced Biofuels Investment Readiness Program, Licella will be able to progress to the next step in the commercialisation pathway" said Licella's Chairman Len Humphreys.

The de-risked feasibility study, which will be conducted over the next 21 months, aims to produce an investment case for the construction of Licella's first 50,000 oven dry tonne p.a. Pre-Commercial Plant. This plant will produce up to 125,000 barrels of bio-crude oil per annum.

Key activities to be conducted in the study include determining the optimal site, testing of suitable feedstocks and establishing the best pathways to market for the products produced. A Front End Engineering Design (FEED) will also be undertaken for the site determined.

Licella has developed a unique Catalytic Hydrothermal Reactor (Cat-HTR) system for the conversion of lignocellulosic biomass, including forestry and waste residues, into valuable Bio-Crude oil.

Bio-Crude oil is 'drop-in' ready, and is ideally suited to producing a full range of transport fuels including petrol, diesel and jet fuel and renewable chemicals.

Licella's Commercial Demonstration Plant (CDP), which was opened in December 2011 by the Minister for Resources and Energy Martin Ferguson AM MP, has been used to refine its processes for optimal yield, product quality and economics.

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