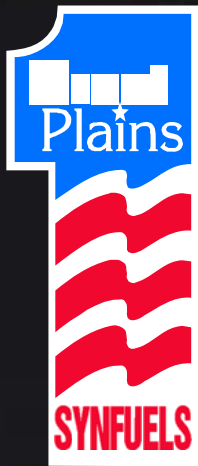


Dakota Gasification Company



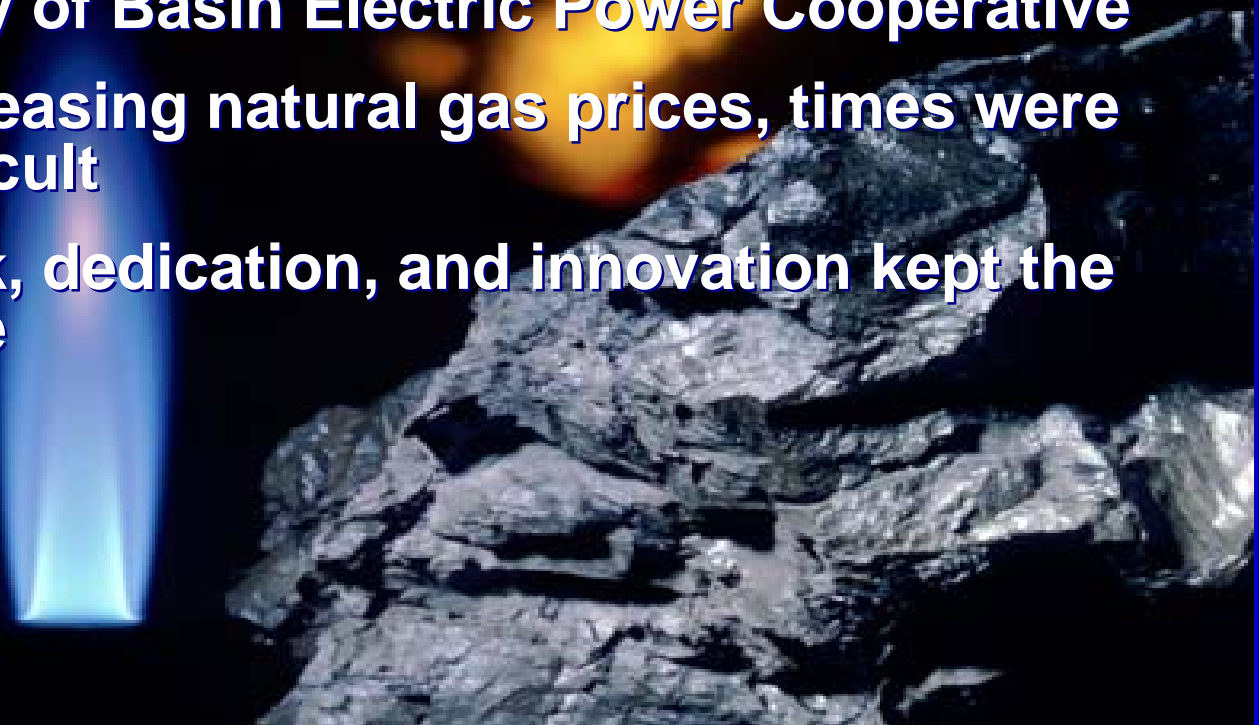
Fred Stern

*Plant Manager
Dakota Gasification Company*

June 28, 2006

A Look at the Past

- **Plant origin: '70s energy shortages**
- **\$2.1 billion cost**
- **First SNG produced in July 1984**
- **DGC began operating facility in 1988 as a subsidiary of Basin Electric Power Cooperative**
- **With decreasing natural gas prices, times were often difficult**
- **Hard work, dedication, and innovation kept the plant alive**



Synfuels Plant Today

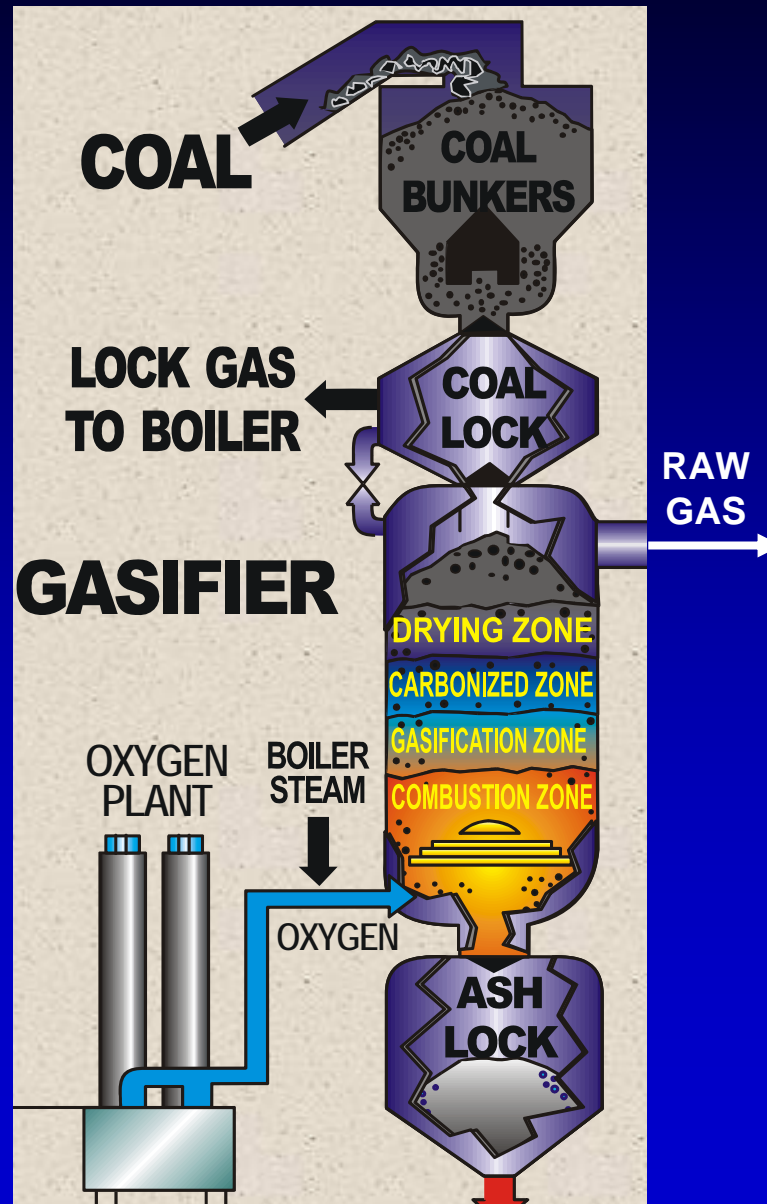


- Work Force: more than 700 people
- Daily Production Capacity: 170 mmscfd SNG, along with many by-products
- Annual Plant Loading Factor: 90-92%
- And Today we are profitable!

14 Lurgi Mark IV Gasifiers

Typical Lignite Analysis

- 37% Moisture
- 6% Ash
- 27% Volatile Matter
- 30% Fixed Carbon
- 7000 BTU/lb



Typical Raw Gas Analysis

- 39% Hydrogen
- 32% CO₂
- 15% CO
- 12% Methane
- 0.8% C₂+
- 0.7% H₂S
- 315 BTU/scf (HHV)

DGC is Unique

- **Only commercial coal gasification facility producing synthetic natural gas.**
- **Liquids production.**
- **Fertilizer production.**
- **CO2 capture and sequestering.**

Liquids Production Blessing and Curse

Tar Oil *Phenol*
Cresylic Acid *Naphtha*

- **High capital cost and operating costs.**
- **Limited markets.**
- **Transportation issues.**

Fertilizer Production

Anhydrous Ammonia & Ammonium Sulfate

- **Ammonia plant added in 1996 to diversify product base.**
- **Ammonium sulfate plant added in 1997 for environmental fix and revenue source.**

Ammonia Plant (foreground)
Ammonium Sulfate Plant (background)



Ammonia

1150 tpd



Ammonium Sulfate

350 tpd



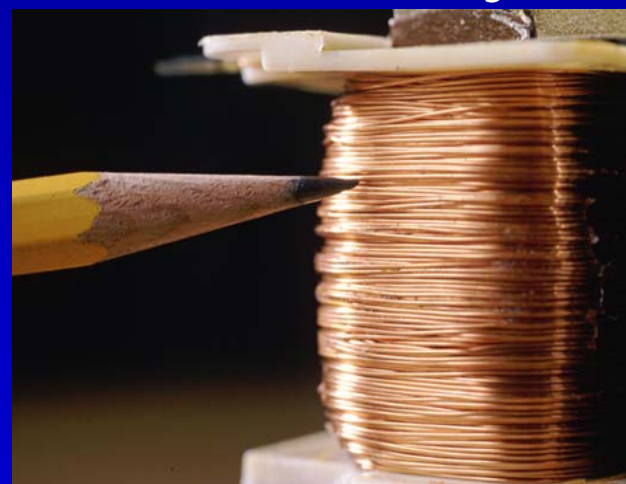
Phenol

33 million lb/yr



Cresylic Acid

33 million lb/yr



*Carbon Dioxide – Initially 95 mmscfd
Later in 2006, 150 + mmscfd*



Used in enhanced oil recovery

Project Startup – September 2000



Why does DGC's CO₂ have an advantage over other sources for EOR?

- Natural sources are often far from the oil fields that could use it.
- Flue gas contains water vapor and nitrogen.
- **DGC Product CO₂:**
 - -100° F Dew Point
 - 95 + % Carbon Dioxide
 - 1.1% Hydrogen Sulfide
 - 1.0% Ethane
 - 0.3% Methane
 - 0.8% Other



*Great Plains
Synfuels Plant*