

Montana's Role in Solving U.S. Energy and Security Concerns



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Montana Legislature
by

Bronco Energy Fund, Inc.

September 2005

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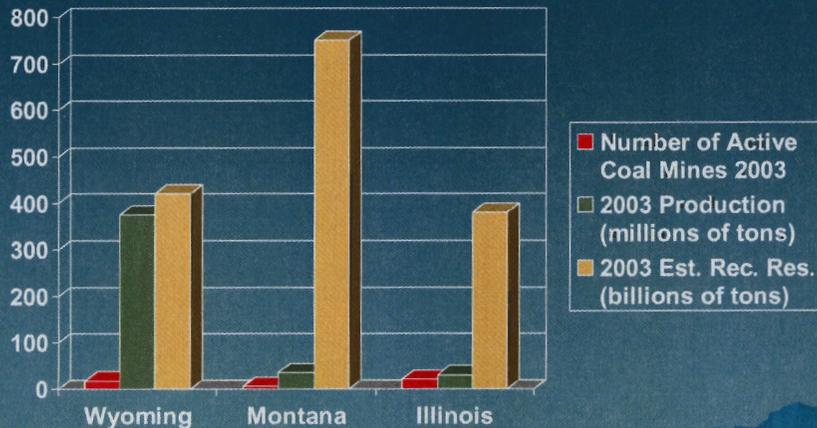
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Montana is Key to US Energy Security

58% of US Coal ERR in WY, MT, IL



Source: National Mining Association

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Gasification is Key to Clean Coal

- ◆ "Coal gasification offers one of the most versatile and clean ways to convert coal into electricity, hydrogen, and other energy forms." US DOE
- ◆ "NRDC includes coal gasification based polygeneration among the clean energy options it advocates..." NRDC
- ◆ "The ability to co-produce hydrogen...illustrates the potential importance of coal gasification for providing clean transportation fuel...as well as providing a potential solution to calls for reduced greenhouse gas (GHG) emissions..." EPRI

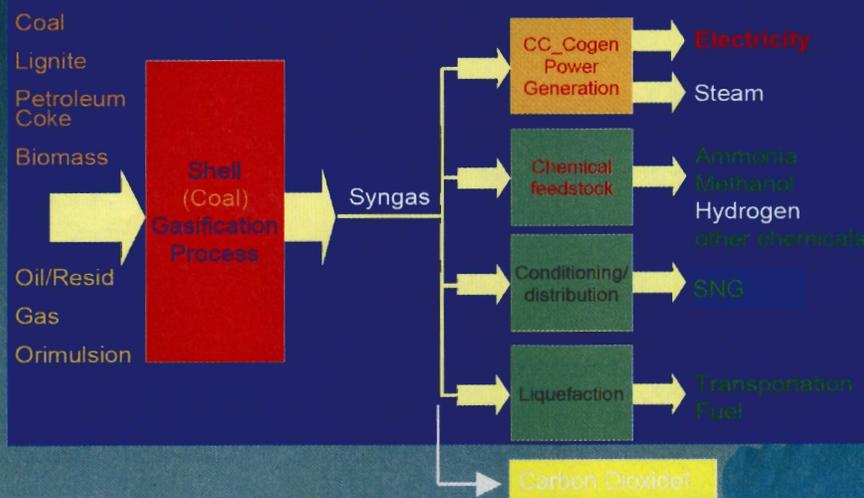
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Gasification Feedstocks & Products



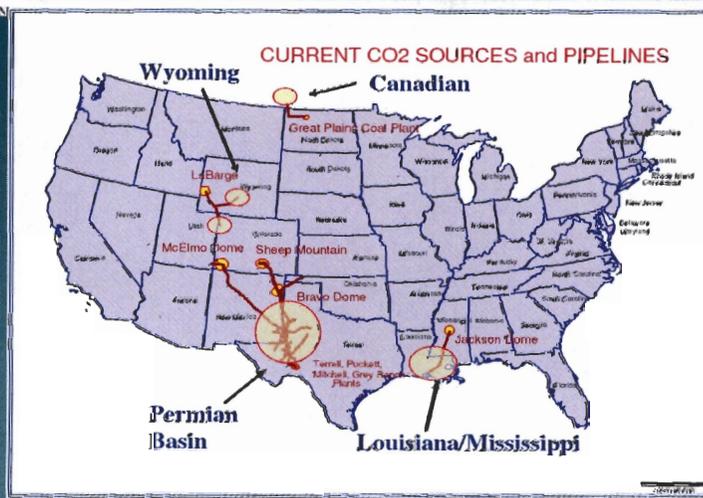
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Source Shell 2004



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CO₂ EOR is Big Business



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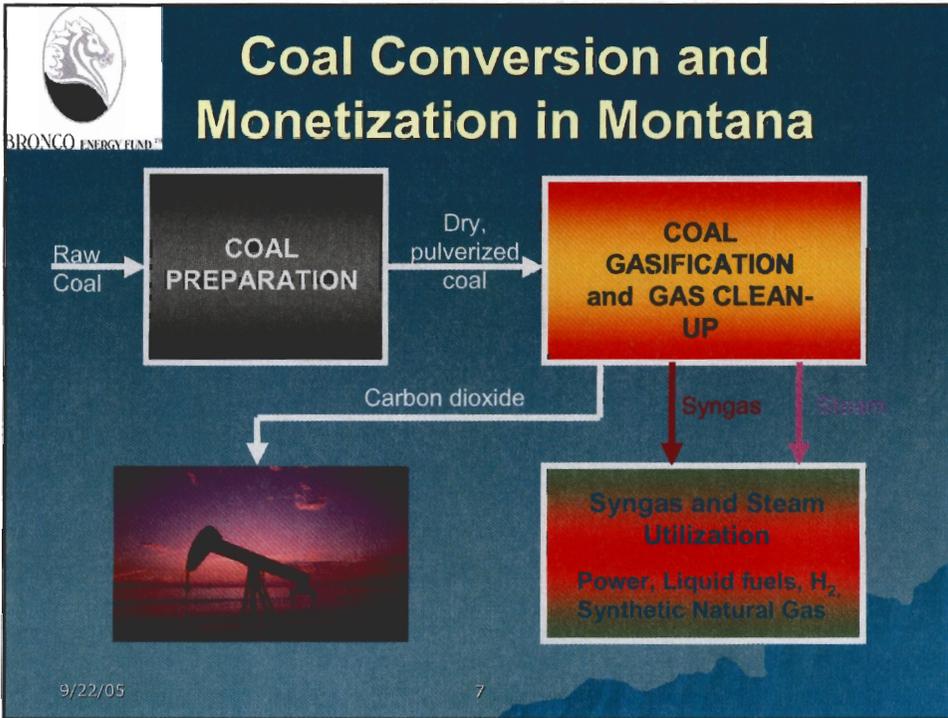
Two Proven Technologies

- ◆ Gasification
 - Breakdown of hydrocarbons into a syngas at high temperature and pressure by carefully controlling the amount of oxygen present.
 - First used in the 1800s
- ◆ EOR with CO₂
 - Enhanced Oil Recovery from depleted reservoirs by injecting carbon dioxide. Carbon dioxide can remain sequestered.
 - First used in the 1950s

Large Scale Integration of these Two Technologies could Substantially Alleviate US Energy/Security Concerns

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- ## Conclusions
- ◆ Montana Poised to Optimize Use of Coal Reserves
 - ◆ Gasification is Preferred Technology
 - Performance & Flexibility
 - Environmental Benefits
 - ◆ Gasification Integrated with EOR
 - Improves Financing Options
 - Provides Hedge against Drop in Oil Price
 - Dramatically Increases Overall Yields
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