



CLEAN GLOBAL ENERGY STEPS ON THE GAS



I am pleased to advise our shareholders that since our relisting on the ASX at the end of October (following the reverse merger with International Resource Holdings), Clean Global Energy has taken major steps which we believe will add significant value to the company over the coming financial year.

The progress made in the past six months or so has set the scene for Clean Global Energy to now enter a further fast-paced period of development with a number of important activities about to commence in Australia and China.

In this edition of the newsletter, now renamed The GASSETTE, you can read about several developments which have taken place in recent months.

They include:

- Registration of AuSino Energy Limited in Hong Kong, the company which will oversee development of the proposed US\$400 million joint venture in Inner Mongolia, China;
- Progressing the site selection process and meeting government officials in Inner Mongolia;
- Appointment of international consulting firm SRK Consulting

to undertake geological and other related work in China;

- Expansion of our coal assets with both granted and new coal lease applications in Queensland and Victoria;
- Progress towards the next stage of the agreement with Greenpower Limited, which will influence our business plans in Victoria;
- Appointments to several key positions in our executive team, and in the field.

Additionally, the first stage of a 4,000 to 5,000 meter drilling program is under way. Three new coal leases have been approved and eleven new EPC applications lodged – ten in Queensland and one in Victoria. The Victorian EL is in addition to EL4500 on which Clean Global Energy has a farm-in arrangement with Greenpower Energy.

Other significant developments are in the pipeline, however, due to commercial-in-confidence considerations, we cannot provide information about these developments until negotiations have been completed.

I trust you find this edition of The GASSETTE interesting and informative and I invite you to call me personally (as many of you have already done) and I will be happy to talk to you directly about our company's exciting future.

John Harkins,
Chairman and Managing Director



John Harkins was greeted with a traditional Inner Mongolian welcome ceremony on arrival at Xilinhot Airport. At Xilinhot, the team undertook site visits and met local officials.

CLEAN GLOBAL ENERGY TO ROAR IN THE 'YEAR OF THE TIGER'

Clean Global Energy has established a joint venture company in Hong Kong to undertake a major commercial UCG project in Inner Mongolia, China. This follows a visit there by Managing Director John Harkins and China Business Manager Julie Zhang.

The new company, named AuSino Energy Limited (AuSino), will initially undertake the proposed \$US400 million UCG project in Inner Mongolia. The appointment of directors and shareholders is currently being finalised.

AuSino is being funded initially by a US\$1 million capital injection from the joint venture partners, proportionate to their shareholding in the company. Clean Global Energy's contribution of US\$350,000 will be provided from existing cash.

The development itself will require a staged US\$400 million capital raising.

AuSino will formalise the off-take 'agreement in principle' with Inner Mongolia Sukli Oil and Gas Development Co. Ltd. This agreement is to supply between 5Mm³ and 12Mm³ per day of UCG Syngas on commercial terms at the best possible market price.

Clean Global Energy will design, operate and manage the UCG facility, with fees payable by AuSino to Clean Global Energy once the first tranche of funding for the project has been secured.

Xilinhot is a major regional city of 350,000 inhabitants some 670 kms from Beijing. The area is rich in coal assets, and the local authorities and stakeholders have a keen desire to realise the energy trapped in those assets. They recognise that much of their coal is 'stranded' and eminently suitable for Clean Global Energy's UCG process.

CRIP – one of the world's most advanced applications of the UCG process

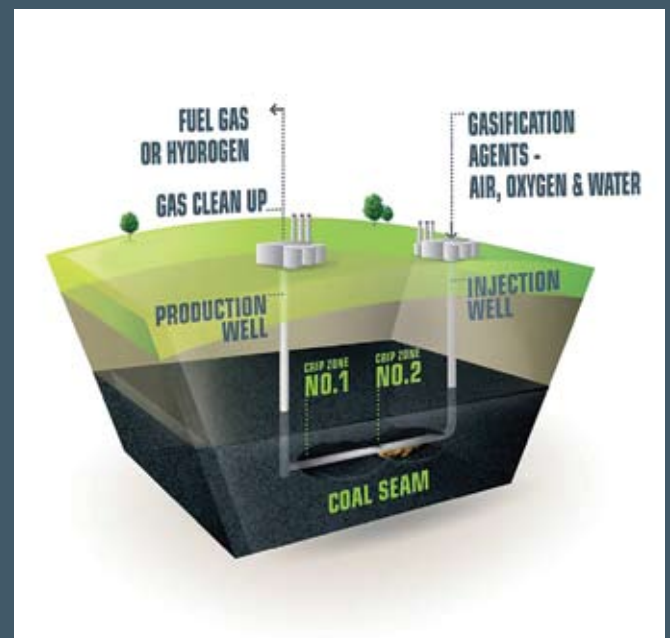
Clean Global Energy has a number of major advantages over other companies in the Underground Coal Gas (UCG) field.

CRIP (Controlled Retractable Injection Point) represents a substantial leap in technology over the ageing Russian system, which most of Australia's other UCG companies rely upon.

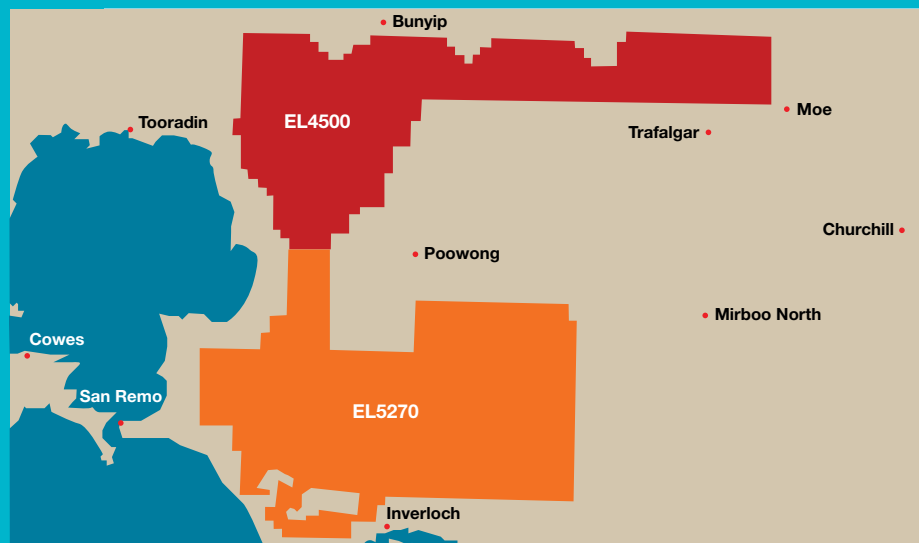
Clean Global Energy's unique application of the process – using a single CRIP connection between the injection and production wells, combined with a highly experienced intellectual knowhow – gives greater control over the process, capital and operational costs. Clean Global Energy also has second-to-none expertise through international industry leader Dr Michael Green. He is one of the world's leading authorities on all matters relating to UCG.

The Russian system generally restricts the distance between wells to a maximum of about 50 metres and relies on an imprecise ability to connect the injection and production wells. The Linear CRIP system used by Clean Global Energy allows distances of up to 600 meters between the two wells – reducing costs and providing greater accuracy, control, output and efficiency.

The Linear CRIP system was originally tested in Spain under the direction of Dr Michael Green, who is Clean Global Energy's Technical Director. Dr Green has undertaken considerable post trial work on UCG and the Linear CRIP process. He has been an advisor to the British Government and is highly sought-after both commercially and technically for his knowledge and expertise in UCG.



CLEAN GLOBAL ENERGY/GREENPOWER JV SITES IDENTIFIED



Publicly-listed Greenpower Energy Limited has significant coal leases in Victoria. Currently, Clean Global Energy has reviewed initial data and issued a selection notice to Greenpower in which Clean Global Energy proposes to utilise Greenpower's EL4500 in the Gippsland Basin to undertake UCG in Victoria.

The parties are advancing the MOU signed back in August 2009 to a more formal arrangement.

Clean Global Energy has agreed to spend \$1.25 million over five years to earn a 75% interest in EL4500. Clean Global Energy may select additional coal tenements in the future.

Following the initial preparation work, Clean Global Energy intends to fund and work towards the design, engineering, construction and commissioning of a 1PJ UCG pilot plant.

Clean Global Energy will then undertake a feasibility study for the construction of a commercial UCG Syngas plant in the range of 5–50PJ annually.

ASSESSING RESOURCES IN QUEENSLAND AND VICTORIA

Clean Global Energy has started a review and analysis of its extensive coal tenements in Queensland and Victoria.

Under the current program, exploration drilling is already under way in Queensland and is expected to extend into the third quarter of this year.

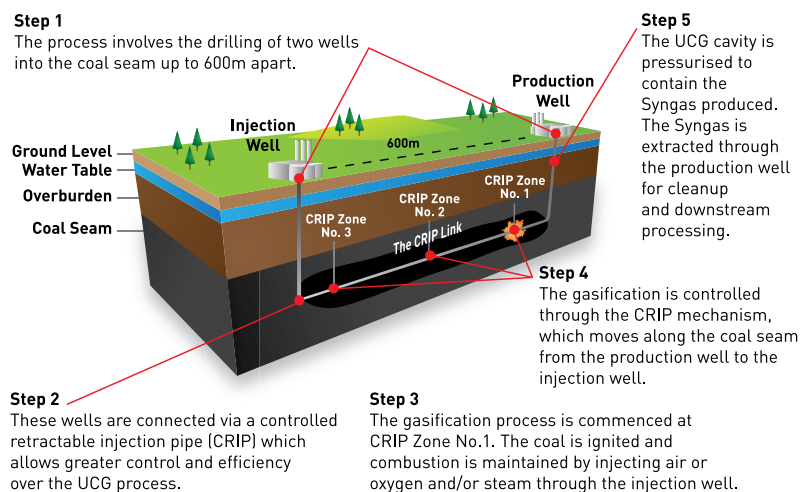
The next major stage, in mid-2010, will be the lodging of a Mineral Development Application to provide feedstock for the proposed UCG pilot plant in Victoria.

Clean Global Energy has lodged an Exploration License Application with the Victorian government for a coal exploration area in the Gippsland coal basin.

The area (EL5270) of about 900sq km may be suitable for UCG.

This is all part of Clean Global Energy's three-stage, 36-month project plan, under which the company proposes to commercialise UCG through the production and sale of UCG Syngas.

What is UCG?



Underground Coal Gasification (UCG) converts coal into a product commonly known as Syngas without the need for traditional mining.

It allows the coal to be processed underground, eliminating expensive mining operations and minimising ground disturbance in producing an economical clean energy known as 'Syngas'.

UCG provides numerous opportunities to reduce pollution and has significant advantages over other methods of extracting energy from coal.

The gasification process converts hydrocarbons into Syngas at elevated pressures and temperatures, and can be used to create electric power, chemical feedstock, liquid fuels, hydrogen gas and other products.

APPOINTMENTS

Clean Global Energy has started building the management and operational team it needs to move strongly into developing its initial projects in Australia and Asia.

The latest appointments include:

Julie Zhang
Business Manager, China

Julie's key executive role will focus on the development of business relationships both in China and within the Chinese business community in Australia. Her role is extremely important to the future success of the company.

She has experience in the coal industry – joining Clean Global Energy from a similar position with a Chinese-owned Sydney-based coal company and having held key positions in government and private enterprise fostering Australia-China business relationships.

Julie holds a Bachelor of Commerce from Capital Economics and Business University, Beijing and a Masters of Commerce from the University of Sydney.

Nicolette Lecornu
Business Manager, Australia

Nicolette brings a wide range of management, marketing and administration skills to the company and a strong focus on business development.

Most recently she served in a high level Executive Assistant role at KPMG in Sydney, where she was involved in event organising, budget management and systems improvement.

Prior to that, Nicolette lived in London for eight years during which time she held PA positions in several high profile financial institutions, including AXA Investment Managers and Lloyds TSB Bank. In these roles she also became involved in project development and incorporating new systems.

Clean Global Energy is continuing to expand its human resources to meet the needs of the company as we move forward. Roles to be filled in the immediate future include geological, project management and corporate. These roles will serve the needs of our projects and operations here in Australia, as well as the initial work in China.

Clean Global Energy has recently engaged international consulting firm SRK Consultants to provide geological and other related services for our China project.



Julie Zhang



Nicolette Lecornu

NEW HEADQUARTERS IN SYDNEY

Clean Global Energy Limited has established its head office at:
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Bligh Chambers, in the heart of Sydney's CBD, gives the company an important presence in the city and also room to grow its core organisation.

