

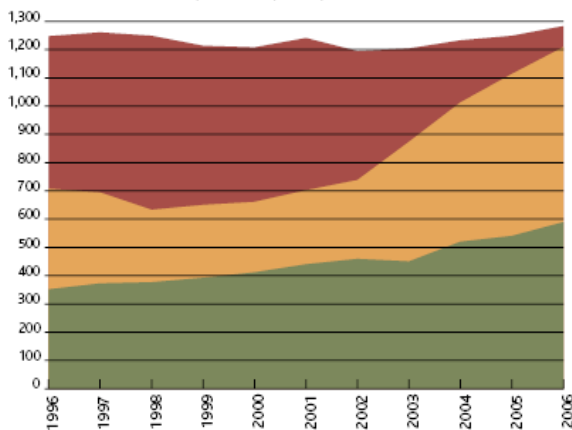
NuCoal Energy Corp.

Demand For Coal

- Worldwide, more electricity is generated from coal than any other source.
- Coal is also indispensable for iron and steel production. About 600 million tonnes of coal-equivalent to approximately 16% of total hard coal production is currently utilized by the steel industry.
- By 2030, China is expected to double its coal demand from a little over two billion tons per year (2005) to four billion tons per year, while India is expected to nearly triple its coal demand from approximately 450 million tons per year (also 2005) to 1350 million tons per year.

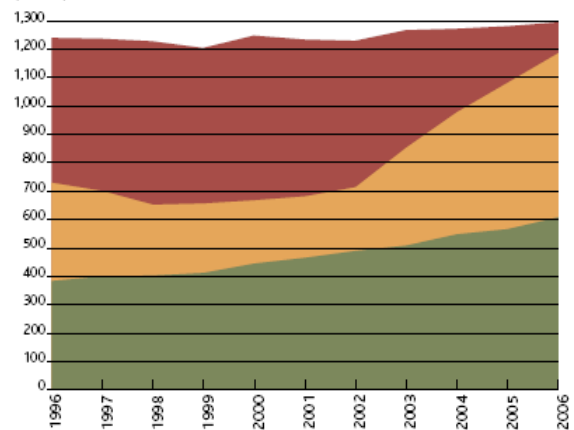
World coal production

Million tonnes of oil equivalent (Mtoe)



World coal consumption

(Mtoe)



Rest of world

China

Rest of Asia Pacific

Source: BP Statistical Review of World Energy 2006

Canada and Saskatchewan Coal

Saskatchewan is the third largest producer of coal in Canada, accounting for approximately 14 to 17% of total coal production. Coal is very accessible in Saskatchewan, which is significant when transportation costs can account for up to 70% of its delivered costs.

It is widely known that Saskatchewan has vast coal deposits, primarily in the southern part of the province and are mined for the power production at Coronach and Estevan. Much of the southern deposits are lignite coal located some 5 – 10 meters deep and are generally in seams 1 to 3 meters thick.

- Approximately 10% of Saskatchewan coal is exported to Ontario and Manitoba, mostly for generation of electricity.
- Canada exports about 28 million tonnes of coal annually to more than 20 countries.
- On a national basis, coal-fired plants are the most important sources of fossil-fuel generated electricity in Canada.
- Canada ranks tenth in the world in total coal reserves with 4 billion tonnes of bituminous coal.

Environmental Aspects

- Carbon Capture and Geological Storage (CCS) offers the potential to reduce CO₂ emissions to the atmosphere from fossil fuel power stations to near zero

New Clean Coal technologies are being developed to decrease emissions thus helping the environment while still maintaining the worlds demand for coal and energy. Three different types:

- 1) **Gasification:** alternative technology to manufacturing hydrogen from coal – most efficient and cleanest available technology; 20% lower cost than conventional power plant
- 2) **Carbon Capture:** decreases emissions between 65-95%
- 3) **Coal to Liquids:** either indirectly or directly – converted to produce fuels

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