

Rural communities to benefit from newly-developed CSG-water re-use system

Fodder King Limited (FK) has devised an innovative plan to convert wastewater into useful products that can benefit local communities and the whole country, whether the water is derived from municipal, mining, industrial or energy-project sources - such as coal seam gas (CSG).

One of the major challenges facing CSG companies is finding a sustainable solution for disposing of their CSG water, knowing this is a necessary step in gaining approval to develop their gas projects. It is becoming increasingly clear they need a 'social licence' to operate in Australia at this time, so ideally the CSG water plan they adopt should be acceptable to their host communities who are understandably concerned, considering the total volume of CSG water will approach a Sydney-harbour-full each year when all the projects are operating.

Government at all levels are vitally interested to see that CSG companies adopt a sustainable solution for the safe disposal of CSG water to minimise any potential impact on the health of the environment or impairment to other industries - especially agriculture. This is because agriculture is perceived to be of central importance to the rural host communities and key to their long term future, long after the CSG resources have been depleted.

FK's directors and key management, as professional engineers with comprehensive resource-industry experience, are helping several CSG companies design and implement practical solutions for their CSG-water disposal challenges. FK's CSG water strategy not only meets regulatory requirements but is also cost effective and will save the CSG companies time and regulatory delays in developing their gas projects. "Best fit that we've seen" and "you're on the money" are typical of the government feedback that FK has received at a local, state and federal government level.

FK's water management plan uses treated wastewater for the production of high-yielding fodder crops. FK has developed intellectual property in applying engineering, science and a systems approach to generate clean technology for the integrated production, marketing and distribution of fodder at an industrial-scale. FK harvests fodder crops the Fodder King way using its proprietary technologies that enable the mass-production of high quality fodder products, which is not possible by traditional farming practices. This significant advance uses less energy than more traditional



cottage industry scale of operations prevalent in this sector. Patents are held in key fodder producing countries.

FK's CSG water solution is modular, relocatable and site-specific. It works by matching various site characteristics such as soil, crops, topography and climate with an appropriate quality of water deemed suitable and may involve reconstituting the soils. It can be adapted to the volume of treated water expected to be produced, whether at a small scale during exploration or at the large scale expected by the LNG exporters operating in the Surat Basin. The solution design and contractual arrangements are straight forward, reducing complexity and cost. It will improve the soils, leaving a lasting legacy for the local community.

FK's CSG water plan is most cost effective at about only 1% of total upstream-gas capital expenditure, compared to most other solutions being implemented or actively considered that appear to cost closer to 10%. Similarly, the operating costs for FK's CSG water plan are very competitive and are offset with substantial revenue, which is good news if adopted by the large CSG operations facing competitive pressures from low-cost gas producers in Australia and overseas. In one recently assessed case FK's solution would reduce assessed risks, capital and operating costs by \$100 millions.

Besides the economic fundamentals, share prices will be influenced by investor and

stakeholder concerns of how well the CSG companies deal with the risks associated with CSG water. Fortunately, in this regard, by using high water consumption 'enviro-crops' to minimise the potential environmental footprint, FK's CSG water plan carries lower risks than alternative solutions, including the major risk of shut-down or interruptions to the flow of gas to market due to full or partial failure of the CSG water solution chosen.

With a site-adapted mix of crops, FK's CSG water plan will protect or create more prime agricultural land by improving the soils, adding nitrogen and soil organic carbon for the benefit of future crops and thus reducing greenhouse gasses. It is designed to absorb all the treated wastewater that is applied and to prevent run-off or accessions to the water table. It will generate extra rural employment, and can drought-proof grazing operations for all types of livestock within a radius of a couple of hundred kilometers.

FK is an unlisted public company with a substantial spread of shareholders seeking to expand its operations. Investors wishing to be involved in an innovative company that is providing environmental solutions for wastewater at a broadacre agricultural scale can request a current prospectus as follows:

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