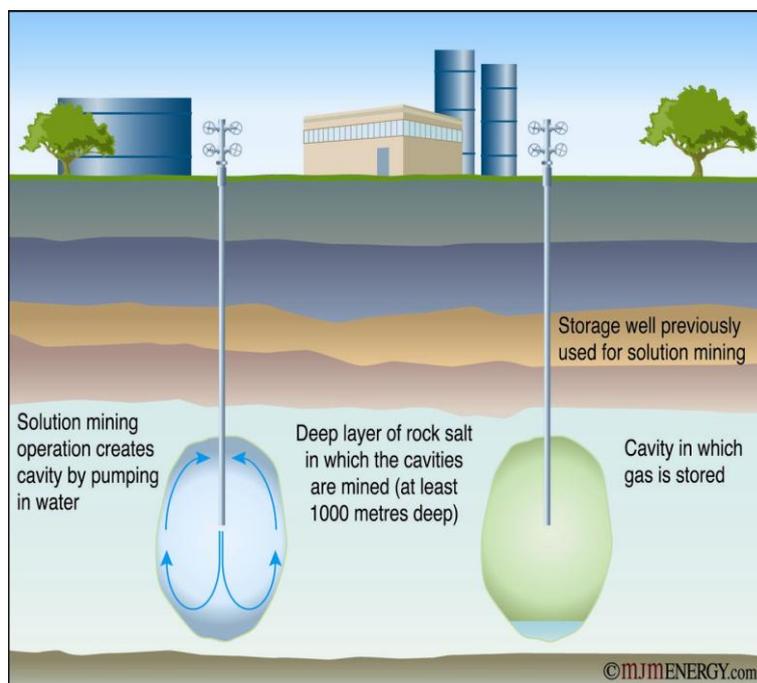

Boree Gas Storage Project

Preliminary Information Document





Innovative Energy Consulting Pty Ltd

November 2010

Boree Gas Storage Project

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The information contained in this Preliminary Information Document (the “**Document**”) has been prepared solely for informational purposes and is being provided to assist prospective purchasers in considering their interest in acquiring IEC and its primary asset, the Boree gas storage development project (the “**Boree Project**”) located in Queensland, Australia. This Document may not be reproduced or used for any other purpose. The material contained in this Document is intended to assist interested parties in making their own evaluation and does not contain all of the information that a prospective purchaser may desire. In all cases, interested parties should conduct their own evaluations, investigations and analyses. Nothing contained in this Document should be construed as giving legal, financial or other advice of any kind. IEC and its representatives make no representation or warranty as to the accuracy or completeness of this Document and shall have no liability for any representations (expressed or implied) other than those described as representations in writing in any definitive purchase and sale agreement when and if one is executed, for any omissions from this Document, for any written or oral communications with any prospective purchasers in the course of their review of this Document, or for any implied terms or obligations arising from operation of law or otherwise. This Document does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. The information contained in this Document is not intended to constitute a “report, statement or opinion of an expert” for purposes of any securities legislation or otherwise.

IEC expressly reserves the right at any time, with or without providing notice or reasons, to: (i) amend or terminate the sale process; (ii) decline to permit any interested party to participate in the sale process; (iii) terminate discussions with any or all interested parties; (iv) reject any or all offers; (v) negotiate with any party with respect to a transaction involving the sale of IEC; or (vi) pursue other value maximizing opportunities, without any liability to IEC. In addition, IEC reserves the right to amend any information that has been made available to prospective purchasers either by way of addition, deletion or amendment.

November 2010

Dear Prospective Buyer

Innovative Energy Consulting Pty Ltd (**IEC**) is soliciting interest from qualified parties to participate in a process for the potential sale of the company. The company owns the exploration mineral rights with the exception of the coal rights to a large tenement, Exploration Permit for Minerals 17010 (EPM 17010) covering most of the northern Boree Salt deposit located in Queensland. The purpose of this letter is to notify you of the opportunity and determine if you desire to participate in evaluating this investment opportunity.

Enclosed is a Preliminary Information Document that provides a summary of the Boree Gas Storage Project which is the only material asset that IEC owns and a Confidentiality Agreement for execution, receipt of which is a prerequisite to being provided additional information relating to the sale process. Current plans are to distribute a Confidential Information Memorandum, to interested parties in January 2011 and thereafter to make available additional information specific to the EPM 17010 and the Boree Salt deposit

EPM17010 pertaining to the mineral exploration rights associated with the world class Boree salt member located in Queensland's Adavale Basin was granted to IEC on April 18, 2008 for a period of five years. Scoping Studies completed this year confirm the value of this location for potash exploration and the development of underground storage applications. IEC is a small private company that lacks the resources to pursue the development of either a gas storage project or further potash exploration on EPM17010.

Whilst the foregoing reflects IEC's present intentions, IEC reserves all rights to amend or withdraw the opportunity at any time with or without providing notice or reasons and without liability.

Sincerely,

Glen Gill
Managing Director

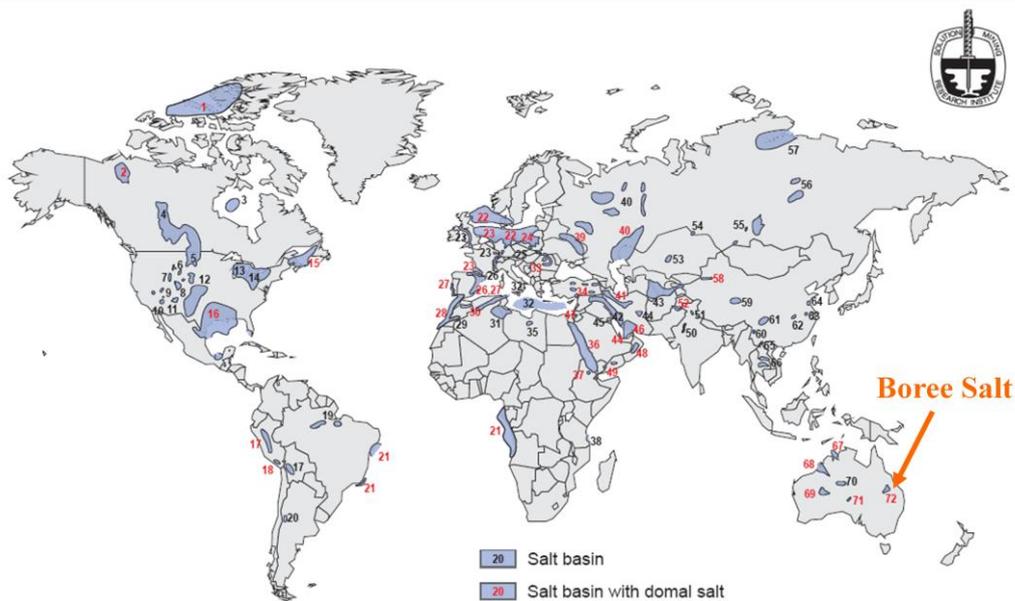


Innovative Energy Consulting Pty Ltd

Boree Gas Storage Project

Overview

Innovative Energy Consulting Pty Ltd (“IEC” or the “Company”) owns EPM 17010; the mineral exploration rights to an 80 sub block (approximately 256 km²) tenement over the world class Devonian age Boree Salt member located in Queensland’s Adavale Basin. This salt deposit is the only known deposit that has the potential to service the energy security and balancing needs of Eastern Australia energy markets. Furthermore, as indicated in the world salt map below, it contains both thick bedded salt and pillowed salt (salt that has flowed post deposition into thickened shallower sections of steeply dipping beds). While the former may be attractive for the solution mining of potash the latter feature is sought after for the development of purpose built caverns for large hydrocarbon storage facilities with high cycling capabilities.



Source: Solution Mining Research Institute

IEC is making available, to qualified buyers, an opportunity to acquire IEC and with it the Boree gas storage project assets including – (i) EPM17010; (ii) all intellectual property acquired by IEC since April 2008 including three Scoping Studies pertaining to salt cavern hydrocarbon storage, salt cavern waste repository and potash solution mining respectively and (iii) access to human resources with significant expertise in gas storage development and operations (collectively the “Boree Project”).

Among other things, the Boree Project offers prospective buyers a unique opportunity to participate in Eastern Australia’s growing gas storage business and to become involved in the provision of the extensive midstream infrastructure requirements associated with the proposed LNG export projects planned for Gladstone, Qld. Large gas exporting regions such as Western Canada, the Gulf of Mexico and Russia have relied on underground gas storage

to enhance the value of their gas reserves through improved gas production operation efficiencies and the capture of a larger share of the export market and thereby being able to monetise gas reserves much faster. Incorporating gas storage with proposed Queensland LNG export projects will provide additional liquefaction plant flexibility to maximise gas supply when required and manage gas fluctuations when planned and unplanned maintenance is required. This in turn will allow for greater security of gas supply for the plant and most probably higher netback prices due to the reduced risk of gas supply variability. Queensland gas producers have ambitious goals for the development of the coal seam gas resource and in this regard the development of gas storage facilities and services is a vital component of the plans associated with that goal.

Scoping studies performed by Australian based Coffey Projects Australia, Coffey Environments Australia Pty Ltd, Coffey Mining Pty Ltd, Coffey Commercial Advisory and Canadian based North Rim Explorations Ltd and SolTech Projects Inc have confirmed that this salt deposit has all of the suitable characteristics for the development and operation of large-scale hydrocarbon liquid and/or gas storage facility. In the Boree #1 well, there is ample thickness of high quality rock salt containing very little insoluble material and seismic information indicates that thick salt at various depths is found over most of EPM 17010. Additional geo-mechanical testing of new cores retrieved over the entire salt deposit and the cap rock is required prior to the final design of any salt caverns. Preliminary studies indicate that multiple salt caverns, each with a capacity of either 7.5 Bcf or 4.2 million bbls for gas and liquid hydrocarbons respectively, can be brined in the lower half of this salt deposit.

The Boree Salt is also a prospective potash solution mining target and subject to further exploration activity and the results associated therewith, areas within EPM 17010 could become a candidate for a commercial potash solution mining project(s). The location, thickness and grade of Sylvite (potash) beds requires further evaluation for at this stage insufficient information exists as only two wells exist in the entire EPM. The Adavale Basin is also hydrocarbon prospective and relatively unexplored. Consequently information and cost/reward sharing between further potash and hydrocarbon exploration activity is another possible synergy in addition to those with salt cavern development for hydrocarbon storage purposes.

Prospective buyers have the opportunity to acquire not only the Boree Project described in this Preliminary Information Document but also the Katnook Project located in southeast SA that is described in another Preliminary Information Document that is being promoted in the same sale process. The combined assets offer buyers a rather unique opportunity to acquire a portfolio of attractive green field gas storage development opportunities that offer numerous synergies in terms of both development and operations.

Boree Gas Storage Project

Key Investment Considerations

- ❖ **Thick Clean Halite Deposit.** The Boree Project has secured a vast area of thick (500+ ft) relatively pure halite (salt) deposits that can host a salt cavern farm suitable for the underground storage of hydrocarbons generally and pipeline gas specifically. Such a project would be Australia's first salt cavern storage facility.
- ❖ **Undisturbed Salt Deposit.** Unlike many of the best salt deposits located in other OECD countries, the Boree Salt has not been previously mined. While this means that there is generally a lack of detailed data over the salt, it also means that there are no abandoned salt caverns and prior community relations problems to deal with as is often the case.
- ❖ **100% Ownership of Assets.** The Boree Project is 100% owned by IEC and therefore is attractive from both an acquisition and a gas storage development perspective. Many prospective gas storage projects do not proceed in a timely manner, if at all, and/or have considerable operational problems due to a complex ownership involving a minority interest held by one or more petroleum companies who do not understand the gas storage business and thereby destroy value for the developer/operator.
- ❖ **Gladstone Export Gas Hub.** Queensland (Qld) boasts the first gas discoveries in Australia and more recently it has become the coal seam gas Mecca of Australia to the extent that Qld has seen a dramatic change from a gas supply deficiency concern in the late 1990's to currently having enough surplus gas reserves to justify several multi-train LNG export facilities. Gas storage has played a key role in most other large gas export regions in other OECD countries overseas and is expected to do the same in Qld. The Boree Project is located approximately 700km west of Gladstone where four large scale LNG projects are in various stages of development.
- ❖ **Wallumbilla Domestic Gas Hub.** The Wallumbilla or Roma gas hub is emerging as the future primary hub for Eastern Australia (akin to AECO in Canada and Henry Hub in the USA). The Boree Project is located approximately 450 km northwest of the Wallumbilla Hub
- ❖ **Strong Business Fundamentals.** Current Eastern Australia gas/power supply and demand fundamentals support expectations of continued electricity price volatility and much greater gas price volatility as market participants gain access to and use to a greater degree the recently introduced short term gas trading market. Eastern Australia's gas and its liberated electricity markets continue to converge as gas fired power generation continues to enjoy a larger share of the power generation sector. Specific to Qld, the emergence of domestic and export gas hubs at Wallumbilla and Gladstone respectively is creating a strong demand for hub gas storage services to serve the changing needs of these two growing gas markets.

Boree & Katnook Gas Storage Projects

Joint Sale Process

In addition to owning the Boree Project, IEC has the exclusive right to promote and market a multiple field depleted reservoir potential gas storage development project located in southeast South Australia (the “**Katnook Project**”) owned by Adelaide Energy Limited (“**ADE**”). ADE and IEC have jointly agreed to solicit interest from prospective buyers regarding a package of green field gas storage projects comprised of the Boree Project and the Katnook Project. Prospective Buyers are encouraged to obtain the Confidential Information Memorandum related to each asset and to evaluate the synergies of owning both assets.

These two assets offer different opportunities in Eastern Australia’s emerging gas storage market. The Katnook Project, owned 100% by ADE, would be predominantly a market area gas storage facility in that it would primarily target storage customers who supply the gas fired power generation and winter space heating markets in Victoria and SA. This volatile gas demand is increasingly being served by gas sourced from Qld as conventional SA and Victoria gas production has and continues to decline. The Boree Project would be predominantly a supply area gas storage facility in that it would primarily target storage customers who supply CSG to the LNG export market and provide hub services to the emerging Wallumbilla/Roma gas hub.

Consequently these opportunities are not in direct competition for gas storage customers but actually have numerous synergies whereby one single developer/operator would have a wider portfolio of customers and services and a competitive advantage vis-a-vis existing gas storage facilities. Since both facilities would be connected to the same gas grid, the depleted reservoir Katnook Project could provide low cost working gas storage capacity while the salt cavern Boree Project could provide low cost gas deliverability and injection capacity. As a combination the two projects could operate more efficiently and provide better services to storage customers. Additionally hub to hub services between Queensland and S.A. would evolve as the gas market matures.

Australia’s gas storage sector is at the moment underdeveloped compared to North Americas and Europe’s gas industries. Australia’s gas industry has yet to capture all of the efficiencies afforded through incorporating multiple gas storage facilities to create flexibility for existing infrastructure and the market. There are few gas storage development opportunities in Eastern Australia as there is a general lack of suitable depleted reservoirs and underground salt deposits. Numerous prime mover advantages are also associated with this opportunity as gas storage is as yet a relatively immature sector in Australia’s gas industry and the concept of an independent midstream owner/developer of petroleum

assets in Australia is also a fairly novel concept. Consequently this investment opportunity may be attractive to well established overseas midstream companies who wish to establish a platform for growth in Australia's vibrant and expanding gas/energy industry.

While prospective buyers may bid on either project, prospective buyers are encouraged to bid on both the Katnook Project and the Boree Project as we believe that there are substantial synergies in the simultaneous development and operation of these two projects.

The proposed sale process will be as follows:

- 29th November, 2010 - Issuance of Information Flyers and Confidentiality Agreements
- 12th December, 2010 - Expressions of interest and Confidentiality Agreements due
- 14th January, 2011 - Presentation of opportunity and release of Confidential Information Memorandum
- 21st January, 2011 - Access to technical and commercial information
- 4th February, 2011 - Non-binding Proposal or Bid due
- mid February to early April 2011 - Due Diligence Review
- mid April, 2011 - Final Proposals due
- May, 2011 - Negotiations and Selection of preferred buyer(s)
- End of May, 2011 - Closing Target

Contacts

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