

Nexterra Receives \$720,000 Funding to Develop New Gasification Applications: Direct Fired Syngas for Boilers and Kilns

Program supported by Natural Resources Canada (NRCan), National Research Council Canada Industrial Research Assistance Program (NRC-IRAP) and Ethanol BC

Vancouver, BC - May 24, 2007 – Nexterra Energy Corp. (www.nexterra.ca) announced today it has received \$720,000 in funding from Natural Resources Canada (NRCan), the National Research Council Canada Industrial Research Assistance Program (NRC-IRAP) and Ethanol BC. This funding will support Nexterra's product development program to directly fire boilers and lime kilns with syngas produced from wood residue.

These new applications of Nexterra's gasification technology will enable customers in the forest products, pulp and paper, power generation and institutional markets to lower fuel costs and become more energy self-sufficient, while also reducing greenhouse gases and improving local air quality.

"Our Government has invested \$2 billion in ecoENERGY Initiatives for clean technology, renewable energy and energy efficiency," said the Honourable Gary Lunn, Minister of Natural Resources. "We are pleased to support promising renewable technologies such as Nexterra's direct fired gasification technology to reduce the environmental impact of using conventional energy resources."

"High fossil fuel costs are a liability for many industries that can no longer rely on utilities to supply stable, low cost fuel," said Brian McCloy, Project Manager for Ethanol BC. "Nexterra's direct fired syngas solutions will provide the forest products and pulp and paper industries with a lower cost and more secure energy source that will in turn lower greenhouse gas emissions."

"Firing boilers and lime kilns with syngas is a natural extension of our product development program that creates a huge new market for Nexterra," said Jonathan Rhone, Nexterra's President and CEO. "This funding is an important catalyst in expanding commercial applications of our gasification systems, and we are very grateful for the support from these agencies."

Funding from each agency includes: NRC-IRAP – \$345,000; NRCan – \$300,000; Ethanol BC – \$75,000. This funding is in addition to a \$2.7 million contribution agreement announced on February 6, 2007 with Sustainable Development Technology Canada. SDTC funding will support commercial demonstration of Nexterra's gasification technology to displace natural gas used to fire lime kilns in kraft pulp mills with a "syngas" biofuel produced by gasifying wood residue.

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About Natural Resources Canada – Natural Resources Canada (NRCan) puts innovative science and technology to work so Canada's natural resources sector can continue to contribute to our quality of life, now and in the future. Visit www.nrcan.gc.ca to learn more. For information on the Government of Canada's ecoENERGY Initiatives, please visit: www.ecoACTION.gc.ca.

About National Research Council Canada – Recognized globally for research and innovation, NRC is a leader in the development of an innovative, knowledge-based economy for Canada through science and technology. The National Research Council Canada Industrial Research Assistance Program (NRC-IRAP) provides a range of both technical and business oriented advisory services along with potential financial support to growth-oriented Canadian small - and medium-sized enterprises. Working directly with these clients, NRC-IRAP supports innovative research and development and commercialization of new products and services. The program is delivered by a network of 260 professionals in 100 communities across the country. Funds provided under this program are done on a cost-share basis with their clients.

About Ethanol BC – Ethanol BC is a non-profit R&D funding organization administered by FP Innovations. Grant funding now comes from a unique tax shifting mechanism established under regulation by the Provincial government. The program effectively allows forest companies operating bee-hive incinerators to pay a portion of their permit fees to Ethanol BC. These funds in turn are used to spur research and demonstration of new technologies that will ultimately utilize mill wood residues that are now being incinerated as wastes. The program has been in place since 2000 and is governed by a Board consisting of forest industry, provincial and federal government representatives.

About Nexterra Energy Corp. – Nexterra Energy is a leading developer and supplier of advanced gasification systems that enable customers to self-generate clean, low cost heat and/or power using waste fuels "inside-the fence" at institutional and industrial facilities. Nexterra gasification systems provide a unique combination of attributes including design simplicity, reliability, versatility, ultra-low emissions, low cost and full automation to provide customers with a superior value proposition compared to conventional solutions. Nexterra is a private company based in Vancouver, BC, Canada. For more information: www.nexterra.ca.