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Bixby Energy to announce coal-to-gas deals with China

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The patent-pending, coal-to-gas synthesizers will generate \$25 million in 2010 revenue for Bixby Energy Systems of Ramsey, CEO Bob Walker said.

Bixby Energy Systems of Ramsey will announce Tuesday that it has received two additional orders for its patent-pending, coal-to-gas synthesizers.

"We expect to do \$25 million in revenue from leasing equipment in China in 2010," said chief executive Bob Walker. "Officially, China is the only place we've gotten orders from so far."

The company says its process generates more energy than burning coal and also cuts carbon emissions by two-thirds.

"We're adding workers and evaluating manufacturers in the U.S., including Minnesota, as the first steps to increase our manufacturing capability and capacity," Walker told the Star Tribune Monday. "Equally important, for every \$5 million worth of business we bring in, another \$50 million in ancillary equipment needs to be brought in: grinders, crushers, chillers, gas clarifiers and other equipment, at the industrial plant or the power plant."

One unit will be shipped to a methanol plant in Ordos, Inner Mongolia, to provide methane for the production of methanol.

It will operate through a joint venture with GPU, Bixby's China partner, and Ordos I-Valley, an industrial technology provider. The second unit will be provided to the state-owned enterprise that provides heat to Xilinhot, a city in Inner Mongolia province.

China, which has huge coal reserves but little natural gas, experienced serious gas shortages last winter. It also has pledged to cut air pollution markedly.

"We have received strong government, industrial and private-sector support for the demonstration projects going into China," said GPU President Jeff Wiseman. "The orders to date are showcasing the breadth of Bixby's technology, both through its modular design, and the multiple industrial applications it can handle."

Walker, a career inventor, financed through investors and developed the "Bixby Process" with scientists in North Carolina. The process features a system that heats coal in a sealed environment without burning it. Bixby says the process separates the coal into clean synthetic natural gas and semi-activated carbon, using little water and generating no effluent.