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July 28, 2008

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Ms. Illona A. Jeffcoat-Sacco  
Executive Director  
NORTH DAKOTA PUBLIC  
SERVICE COMMISSION  
600 E. Boulevard Avenue, Dept. 408  
Bismarck, ND 58505-0480

Dear Ms. Jeffcoat-Sacco:

In re: Chapter 49-22 NDCC  
Request for Jurisdictional Determination -  
Coal Beneficiation Facility  
Our File No. -28878

We are writing on behalf of GTL Energy (USA) Limited (GTL USA), requesting a jurisdictional determination pursuant to North Dakota Century Code Chapter 49-22 regarding a proposed coal beneficiation facility.

GTL USA is proposing to construct and operate a coal beneficiation facility near South Heart in Stark County, North Dakota, through its wholly owned subsidiary GTLE Dakota Plant 1 LLC.

Initially, coal will be supplied from existing North Dakota lignite mines. In addition, the plant will also be used to test whether low rank coals from around the world are adaptable to the beneficiation process. Later, coal will be supplied to GTL USA's plant from the South Heart Mine.

It is anticipated that an application for a mining permit will be submitted to the North Dakota Public Service Commission shortly. The South Heart Mine will be controlled by entities associated with Great Northern Power Development LP and Allied Syngas Corporation. The South Heart Mine will sell coal to the GTL USA plant pursuant to a coal supply agreement.

1 **PU-08-610** Filed: 7/29/2008 Pages: 2  
**Request for Jurisdictional Determination - N.D.C.C.  
49-22**

GTL Energy (USA) Limited  
Fleck, Mather & Strutz, LTD

The coal beneficiation facility will be located on a 40 acre site outside of the boundaries of the South Heart Mine.

The purposes of the coal beneficiation facility are to prove the GTL USA technology on a commercial scale, to process other coals using this technology, and to enhance the marketability of North Dakota lignite by substantially increasing its BTU value. GTL USA ultimately hopes to sell this beneficiated lignite to other North Dakota end users who currently utilize out-of-state coal.

North Dakota Century Code § 49-22-03(5) provides for the definition of energy conversion facility as follows:

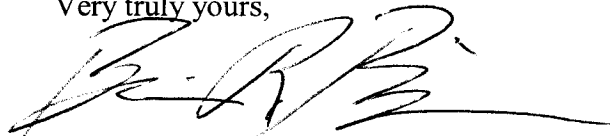
Energy Conversion Facility means any plant, addition, or combination of plant and addition, designed for or capable of:

- (A) Generation of 100,000 kilowatts or more of electricity;
- (B) Manufacture or refinement of 100 million cubic feet or more of gas per day, regardless of the end use of the gas;
- (C) Manufacture or refinement of 50,000 barrels or more of liquid hydrocarbon products per day; or
- (D) Enrichment of uranium minerals.

GTL USA's coal beneficiation facility does not generate electricity, manufacture or refine gas, manufacture or refine liquid hydrocarbons, or enrich uranium minerals. The facility merely improves the BTU value of the lignite. Thus, it is our opinion that GTL USA's coal beneficiation plant does not constitute an energy conversion facility under Chapter 49-22, North Dakota Century Code.

GTL USA, respectfully requests a jurisdictional determination that the proposed coal beneficiation plant does not constitute an energy conversion facility under North Dakota Century Code Chapter 49-22. Thank you for your consideration of this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'B. R. Bjella', with a long horizontal flourish extending to the right.

BRIAN R. BJELLA