

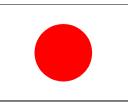
Prospect of Synthetic Liquified Gas - DME and LPG -

The University of Kitakyushu Kaoru Fujimoto

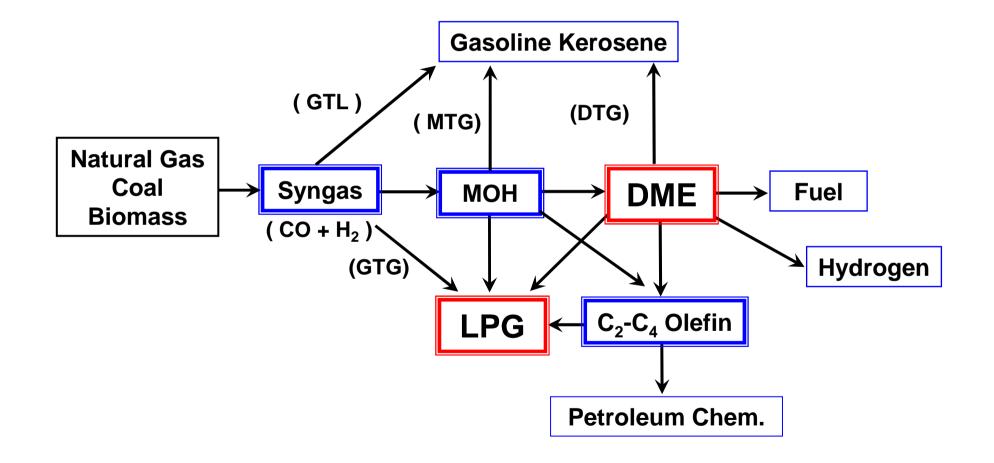
23rd World Gas Conference Jun. 5-9, 2006







NEW SYNTHETIC FUEL SYSTEM

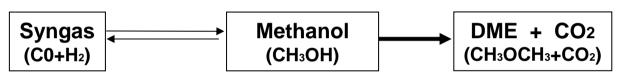


SYNTHESIS PROCESS FOR METHANOL AND DME

Indirect process



Direct process



PHYSICAL PROPERTY OF DME

| | DME | CH ₄ | C ₃ H ₈ | CH ₃ OH | Diesel (FT) |
|------------------------------------|-------|-----------------|-------------------------------|--------------------|-------------|
| Boiling point (°C) | -25.1 | -161.5 | -42.0 | 64.4 | 180-370 |
| Density (g/cm ³ , 20°C) | 0.67 | - | 0.49 | 0.79 | 0.84 (0.78) |
| Vapor pressure (atm, 25 °C) | 6.1 | 246 | 9.3 | - | - |
| Cetane number | <65 | 0 | (5) | 5 | 40-60 (70) |
| Heating value (kcal/kg) | 6,900 | 12,000 | 11,100 | 5,000 | 10,000 |

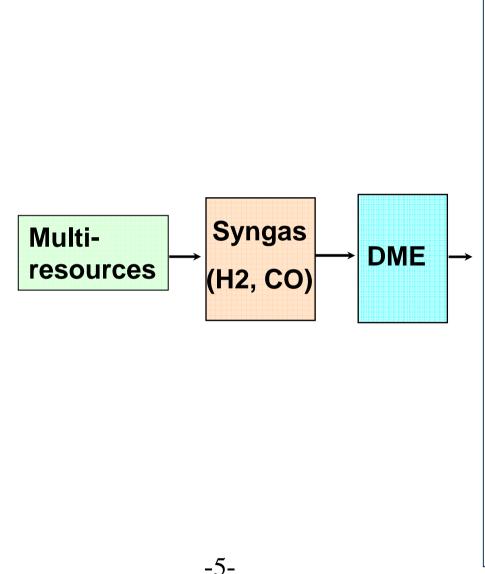
FUEL DME PRODUCTION

Direct process (JFE)

5t/d pilot plant at Kushiro (1999-2002) JAPAN 100t/d demonstration plant at Kushiro (2003-) JAPAN

Indirect (methanol) process

Jiutai Chemical Corp., 100,000 ty (2005-) CHINA Mitsubishi Gas Chemical, 100,000 t/y (2007-) JAPAN Toyo Engineering Corp., 100,000 t/y (2005-) CHINA Toyo Engineering Corp., 210,000 t/y (2007-) CHINA



DME UTILIZATION

Home fuel LPG substitute FC fuel

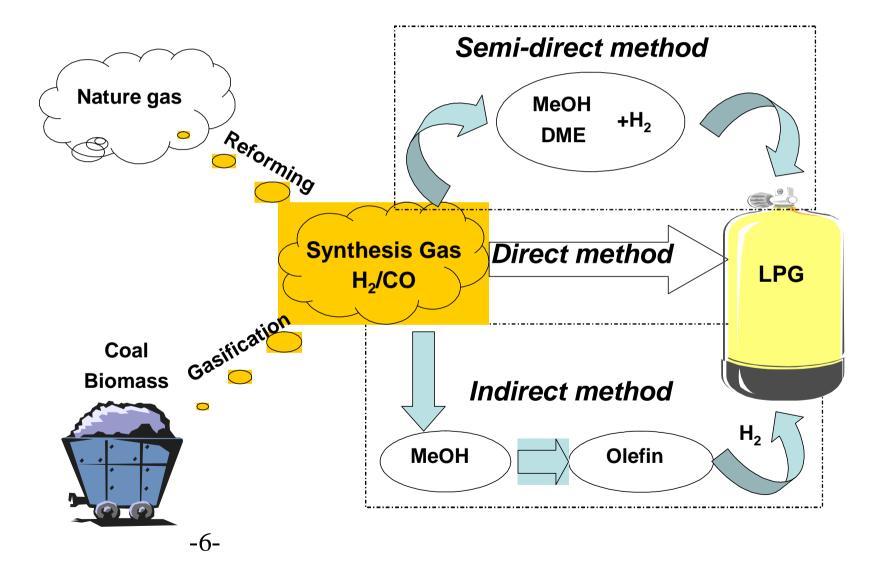
Transportation fuel Diesel fuel FC vehicle Hydrogen source

Power generation fuel Gas turbine Diesel co-generation

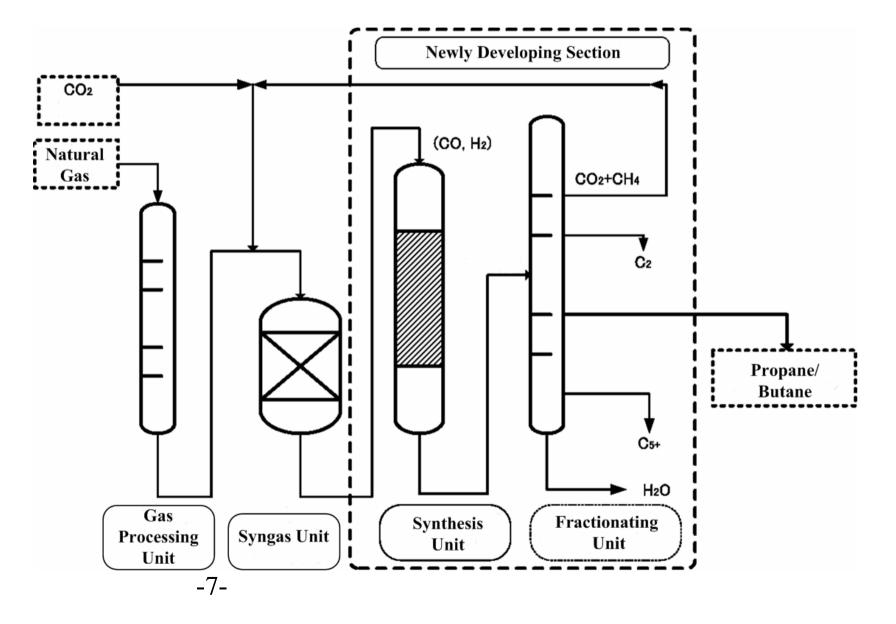
Chemical use Olefin production Methanol chemicals

LPG production Japan Gas Syn.

Three Roots for LPG Synthesis



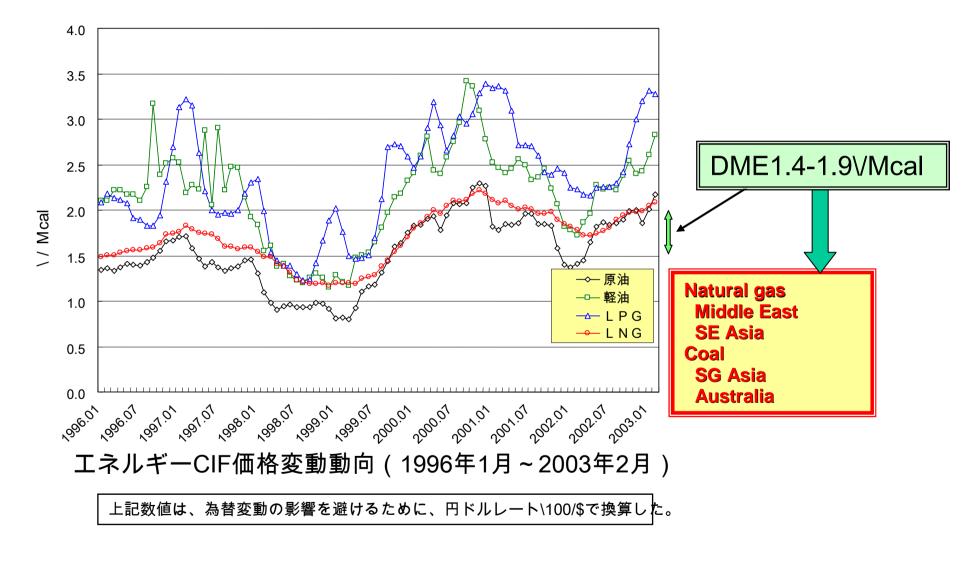
Schematic Diagram of LPG Synthesis Plant

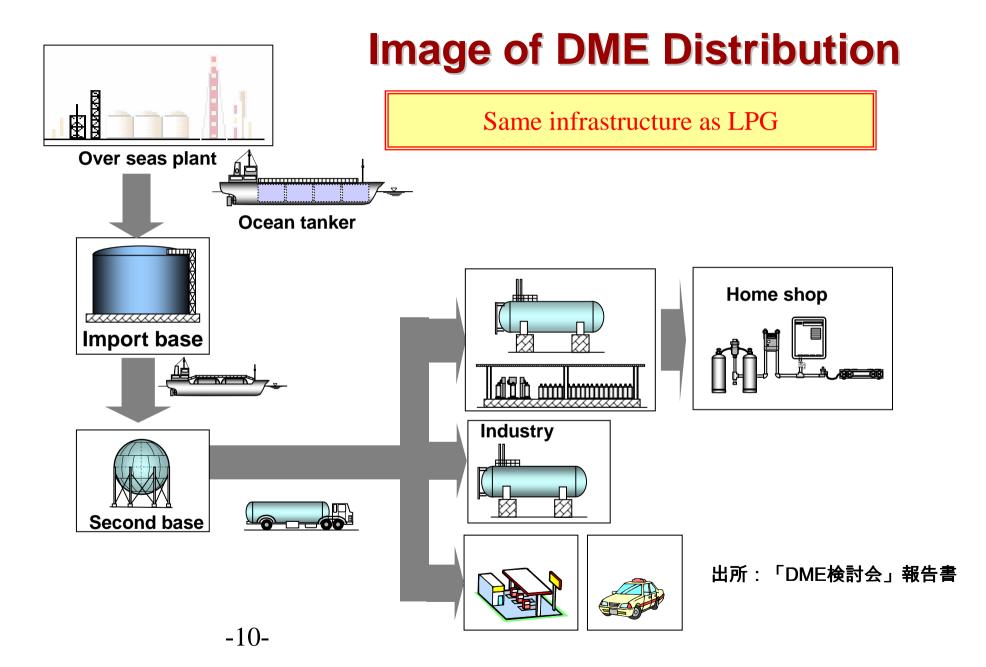


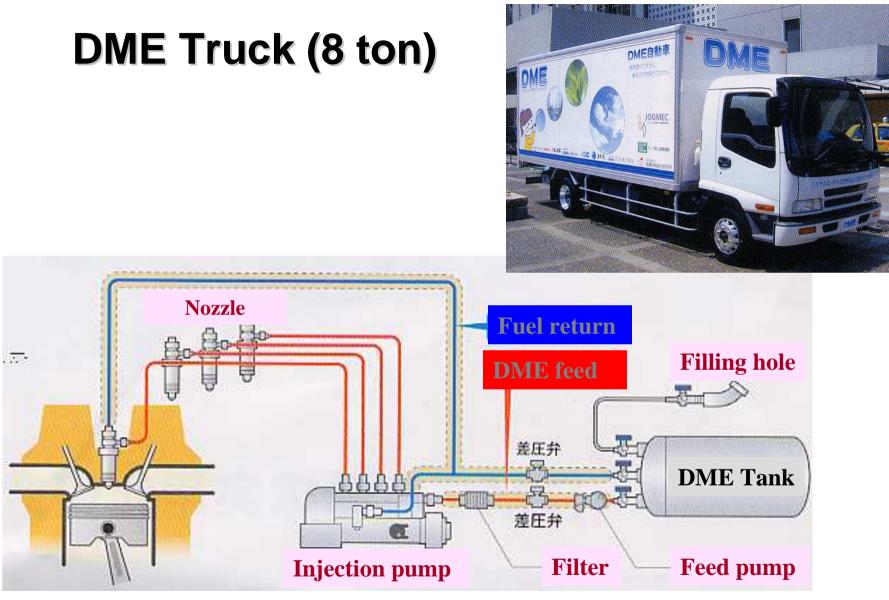
CONCEPT OF DME AS ENERGY

- **1. DME is a synthetic fuel**
- 2. DME can be manufactured from many resources
- 3. DME is a clean fuel
- 4. DME can be used for multi way
- 5. DME is no toxic and gas-liquid
- 6. DME is an energy-media even superior to electricity

CALCULATED DME PRICE (CIF JAPAN)



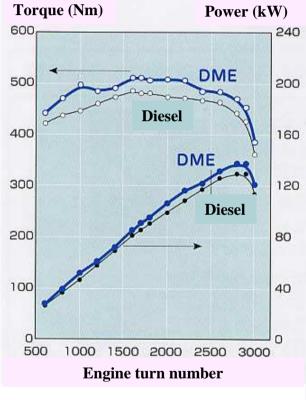




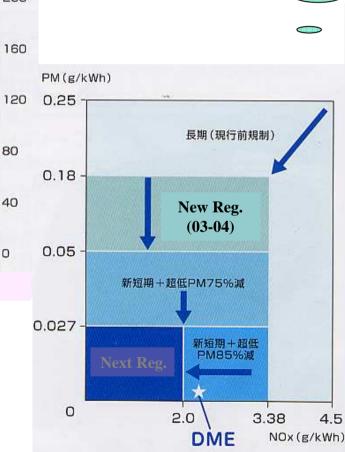
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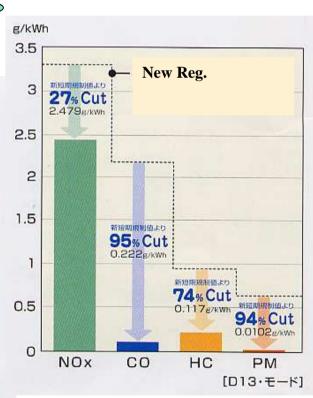
High Power

CLEAN OFF GAS

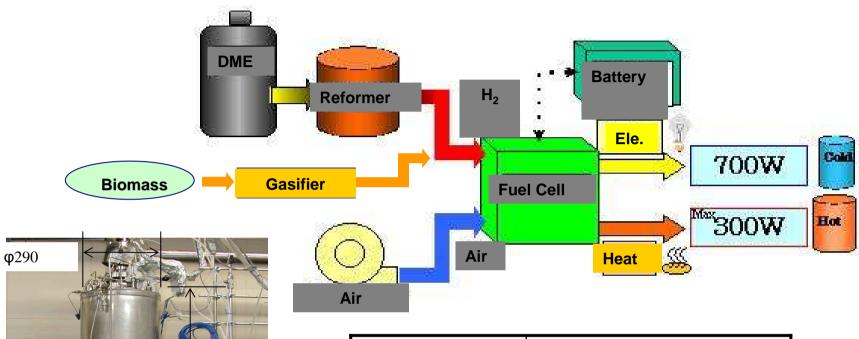


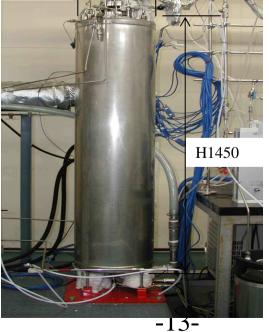
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DME FUEL CELL SYSTEM





| Feul | DME | |
|--------------------------------|--|--|
| Output | 5kW | |
| Hydrogen occurrence ability | 4Nm ³ /hr | |
| Reforming Cata. | CuZn/Solid acid | |
| Reforming Temp. | 350°C | |
| | Reformer, CO Remover, | |
| Constitution | Water evaporation device, Combustion burner | |

REMODELING OF EXISTING APPARATUS

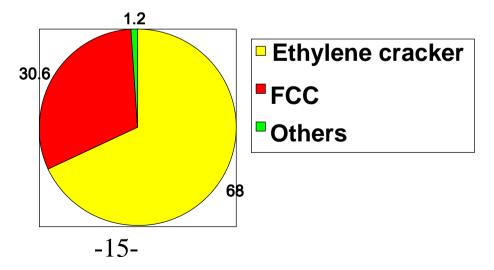
Development of DME retro-fit diesel engine for co-generation system Period : 2001-2003 (2 years) Partners : Yanmar Diesel, Iwatani, AIST Fund : JNOC's fund (approx. 1.6m\$)

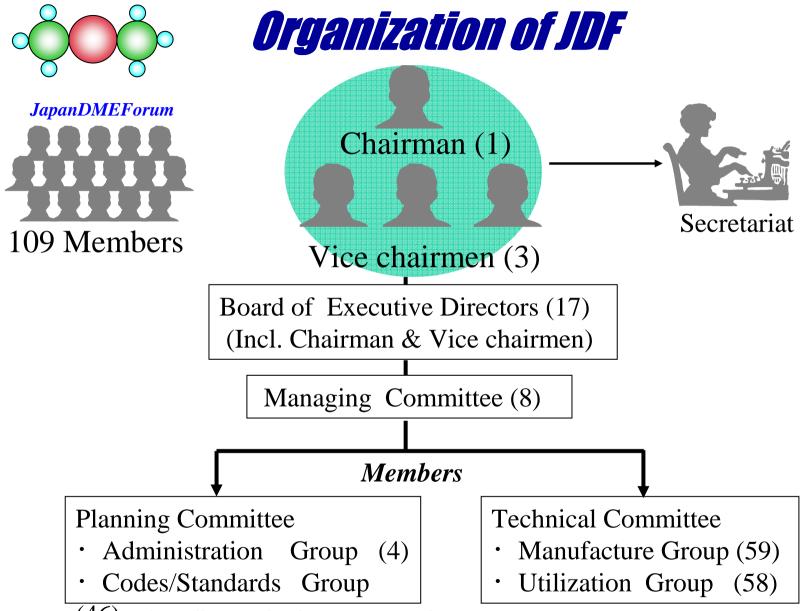
Verification of DME fuelling to existing boilers on retrofit basis Period : 2001-2003 (2 years) Partners : MHI Fund : JNOC's fund (approx. 1.6m\$)

DTO Process

| Product | DME feed | DME feed | Naphtha feed |
|-------------------|----------------|-----------------|--------------|
| (C-wt%) | Ethylene max % | Propylene max % | (Commercial) |
| Ethylene | 48 | 5 | 32 |
| Propylene | 31 | 50 | 17 |
| Butenes | 9 | 23 | 8 |
| $C_2^{=}/C_3^{=}$ | 1.5 | 0.1 | 1.8 |

WORLD PROPYLEN PRODUCTION





Kato member will join in the above one, two or three groups.

(The number of the member in each groups was updated on Dec.6, 2002) -16-

JDF'S THREE STUDY GROUPS

1. Utilization Group

Power generation /system including gas turbine Household/industry fuel, DME diesel related technologies Emission tests from diesel engine Marketing study, Road test of DME vehicle

- 2. Production Group (Manufacturing Group) Production technologies, 100t/d demo-plant construction Economic and LCA analysis of DME production by multiple processes Ocean transportation, etc
- **3. Codes & Standard Group (Legislative Group) Studies for standardization of DME fuel in Japan**

JDF'S CONCEPT ON INTERNATIONAL TREND

- 1. In east Asian countries DME will be introduced quickly as home fuel.
- 2. Diesel DME will be introduced soon
- 3. Technologies and infrastructures are not sufficient.
- 4. JDF will co-operate with other countries.

SOCIAL SUBJECTS

- 1. Present regulation is not suitable for the introduction of DME
- 2. Social consensus is not sufficient.
- 3. Financial support should be made for its introduction.
- 4. Application of special Tax such as "Environmental Tax" is expected.

SUMMARY

- 1. A variety of new technologies has been developed which utilize DME as the new generation clean fuel and chemicals.
- 2. A large DME production plants are ready to be constructed for starting in 2006. Lower CIF price than gas oil can be expected.
- 3. Establishments of supply system is expected easy by utilizing existing system (LDG diesel)
- 4. DME will contribute to promote the energy security in many countries.