

**GTL Resources PLC****("GTL" or the "Group")**

GTL Resources PLC (AIM: GTL.L), a renewable fuels company, announces a significant new customer contract for its subsidiary Illinois River Energy LLC (IRE) and provides a trading update. IRE operates a 100 million gallon per annum (mgpa) ethanol production facility in Illinois USA.

**Significant contract**

IRE has entered into a multi-year off-take agreement with a major petroleum company for fuel ethanol deliveries into and around Chicago, Illinois for approximately 40mgpa. Pricing will be set monthly based on market indices. This will allow IRE to sell the majority of its 50mgpa expansion capacity (turned on in December 2008) into local markets, avoiding the need to transport the ethanol by rail outside its home market at more expensive freight rates.

**Trading update**

Ethanol supply continues to exceed industry demand, and market margins have reduced further since the Group reported its September 2008 interim results in early December. Mid-2008 elevated gasoline prices, followed by the global economic downturn have contributed to reduced vehicle fuel demand leading to significant falls in the prices of oil, gasoline and ethanol since early December.

Ethanol demand is estimated at 9.5 billion gallons per annum, approximately 20% below industry production capacity and approximately 10% below the 10.5 billion gallon Renewable Fuels Standard (RFS) for corn based ethanol for 2009. When ethanol prices are in excess of gasoline prices, including the ethanol blender's credit, vehicle fuel blenders tend to offset their current year RFS ethanol blending requirements with prior year or future year excess credits on up to a maximum of 20% of their obligation.

If the recent low level of industry margins continues for the remainder of the financial period, GTL would expect to report negative EBITDA in fiscal 2009 (after allowing for the hedging losses previously reported). Further, after deduction of non cash depreciation, amortisation and interest charged during the construction loan, GTL would expect to report significant losses in fiscal 2009. The Group continues to maintain cash reserves of some \$8 million in GTL Resources PLC and certain debt service reserves within IRE. IRE is not scheduled to commence debt service payments on its term loan until fiscal 2010, when formal conversion is expected.

Commenting on the announcement, Richard Ruebe, CEO of GTL, said:

"We are delighted to be able to announce such a significant contract win during what is obviously a difficult time for the industry. The contract enables GTL to sell the majority of its 50mgpa expansion capacity in its local market which is important given the current ethanol supply and demand situation."

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