


FERRIER HODGSON

AJS:TB:AP:D1
A Puddy

17 August 2010

Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir/Madam

Natural Fuel Limited
(Subject to Deed of Company Arrangement) (NFL)
ACN 106 760 418

I refer to previous correspondence in relation to NFL, and to the consolidation of capital with respect to NFL's securities as previously approved by shareholders at the General Meeting held on 16 August 2010.

Further to the above and for ease of reference, I have provided below an indicative timeline in which we anticipate the consolidation of capital be completed:

| Event | Date |
|--|----------------|
| General Meeting | 16 August 2010 |
| Record Date for Capital Consolidation | 24 August 2010 |
| Notice sent to each security holder | 25 August 2010 |
| Dispatch of Statements of Shareholding | 31 August 2010 |

Notwithstanding the above, I advise that NFL's securities remain in suspension until further notification.

Should you have any queries in relation to this matter, please do not hesitate to contact Adam Puddy of this office.

Yours faithfully
Natural Fuel Limited

Andrew Saker
Joint and Several Deed Administrator

PERTH

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