



ASX ANNOUNCEMENT

AUSTRALIAN RENEWABLE FUELS LIMITED (ASX: ARW)

29 August 2014

Market Update and Board Changes

Australian Renewable Fuels Limited (the Company) provides the following information by way of update to our previous announcements on 16 May, 7 July and 29 July 2014.

These announcements alerted the market to the potential negative impact of the Federal Government's Budget proposals to impose excise on biodiesel commencing 1 July 2016 and foreshadowed structural and operational changes to the company as a result thereof.

The Company continues to make strong representations to the Government on the proposed taxation treatment of biodiesel and the subsidies available to already subsidised imported biodiesel.

2014 Financial Statements

The Company's 2014 Audited Financial Statements and Appendix 4E were lodged today. The Company recorded a trading loss of \$1,931,590 and impairment charges of \$3,650,000 to the Largs Bay and Picton plants, culminating in a disappointing net loss after tax of \$5,581,590.

Notwithstanding difficult trading conditions and the ongoing uncertainty of Government policy in relation to excise duty, the Company still produced the following positive results for the year:

- The business produced a second half trading profit of \$357,863. The trading loss for the year was incurred in the first six months of the financial year and the business has traded profitably since 1 January 2014;
- The Barnawartha plant generated a trading profit of \$8,124,919 for the year;
- Total net cash generation of \$3,081,116 for the year; and
- A cash balance at year-end of \$953,013 with undrawn credit lines of \$5,500,000.

Board Composition

As advised to the ASX on 29 July 2014, a number of decisions have been taken to reduce the operating costs of the business and place the business in the best possible position going forward. One of these initiatives is to reduce the size and remuneration of the Board.

The Board will reduce in size from six Directors to four. As previously advised, Mr Philip Garling and Mr Julien Playoust have announced their intentions to retire from the Board. Mr Michael Iwaniw will also retire from the Board. Mr Garling and Mr Iwaniw retirements will take effect from 29 August 2014. Mr Playoust will retire at the conclusion of the Company's AGM in October 2014.

The continuing Directors will be Ms Deborah Page (Independent, Non-Executive), Mr Michael Costello (Independent, Non-Executive) and Mr Andrew White (MD and CEO).



Appointment of New Director and Chairman

The Board is pleased to announce the appointment of Mr Alan Fisher to the Board effective 29 August 2014. The Board has also appointed Mr Fisher as Non-Executive Chairman of the Company.

Mr Fisher has extensive business and corporate experience and in particular has expertise in financial and operations restructuring. Mr Fisher is currently the Managing Director of DMC Corporate Pty Ltd and Fisher Corporate Advisory Pty Limited.

Mr Fisher has previously held the position of Chief Executive Officer of Pental Limited, during which time he was instrumental in its successful restructuring. He was also the Managing Director of HRL Limited, which involved a successful restructuring; and was a Corporate Finance Partner of Coopers & Lybrand.

Mr Fisher holds a Bachelor of Commerce from Melbourne University and is a Fellow of the Institute of Chartered Accountants.

The Directors welcome Mr Fisher to the Board of Australian Renewable Fuels Limited and look forward to his contribution and leadership of the Company.

Any queries in relation to the above should be directed to Andrew White, Chief Executive Officer on 03 9981 0011 or info@arfuels.com.au.