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23 October 2015

ASX Market Announcements

**Australian Renewable Fuels Limited (ASX:ARW)
2015 Annual General Meeting Presentation**

Please find attached a presentation that will be delivered to shareholders at the Company's Annual General Meeting to be held today.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Mark Licciardo", with a large, sweeping flourish extending to the right.

Mark Licciardo
Company Secretary

Chairman Address

The progress of the company during the 2015 financial year was in many respects stalled due to the highly damaging Federal Government Policy announcements on biodiesel excise in the May 2014 Federal Budget.

Significantly, and after an extensive lobbying campaign, a favourable resolution was achieved in late June 2015.

Notwithstanding this difficult trading environment, the company achieved a modest profit and generated a positive cash flow for the year.

Some major milestones achieved during the year included:

- The signing of a major supply contract for the supply of biodiesel for the 2016 and 2017 financial years;
- the renewal of our working capital facility; and
- a successful cost reduction program that included the rationalisation and relocation of our head office to Barnawartha and induction of a new management team under the existing CEO

Our focus going forward will be to generate sufficient sales so we can operate the Barnawartha and Picton plants at or near full capacity. We will

continue to seed the South Australian market with Barnawartha produced biodiesel for the foreseeable future. The focus for the 2016 financial year will be on profitable revenue generation, particularly for Picton and Largs Bay; strong cost control across the business; and continuing to look at options for the development of feedstock supply lines both in and out of Australia.

With the Government Excise policy now resolved, our resources can be clearly focussed on building the business and delivering sustainable revenues and profits over the medium term.

Annual General Meeting

23 October 2015



MANAGING DIRECTOR'S ADDRESS



ARfuels Business Review

- Highlights
- Lowlights
- 2015 Review
 - Sales
 - Plants and Production
 - Feedstock
- 2016 Outlook



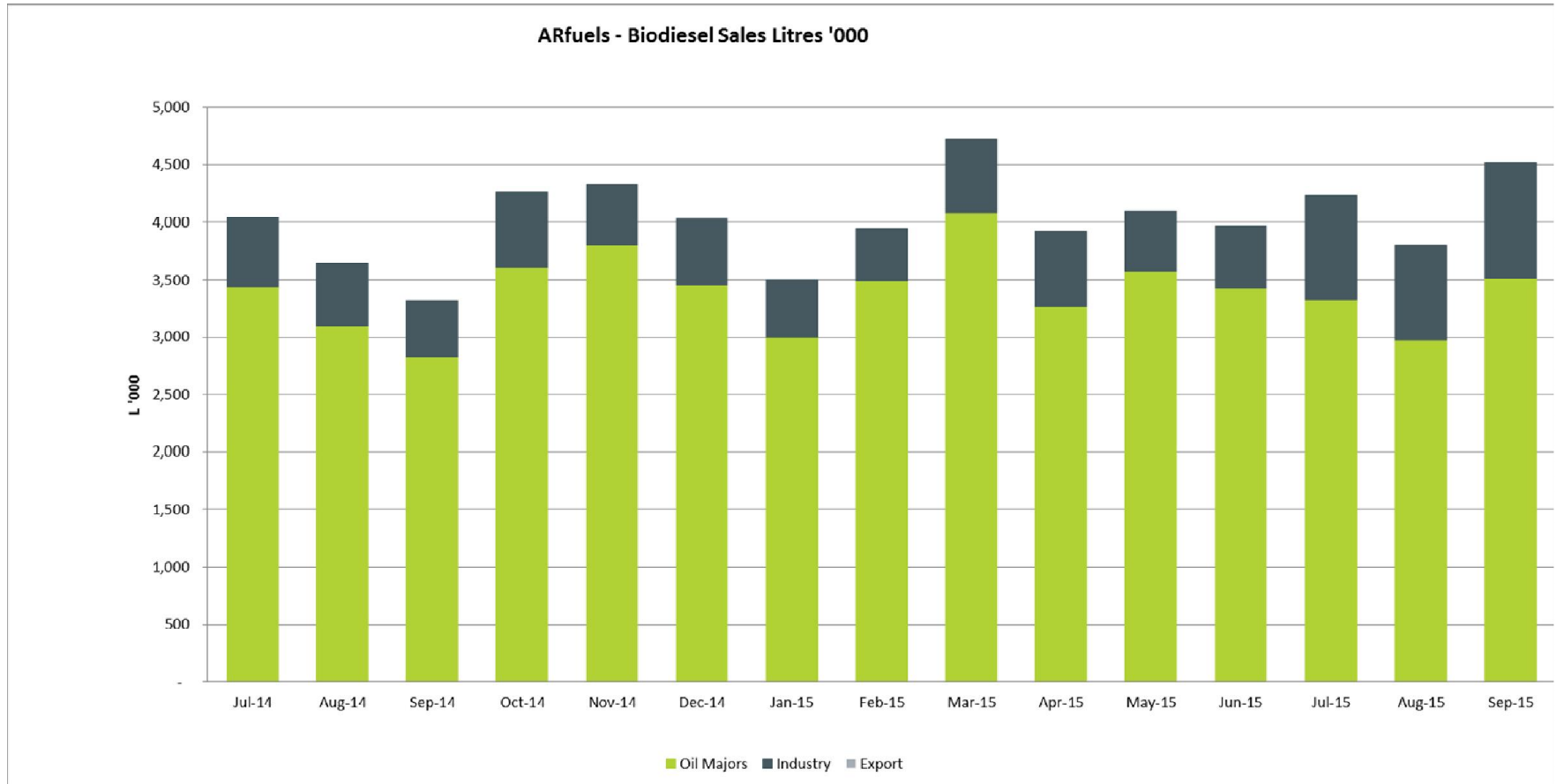
Highlights

- Government Excise Policy Resolved
- Net Profit \$467,203
- Barnawartha trading profit of \$7,564,087
- Net Cash generation of \$780,546 for the year
- Year end cash balance of \$1,736,289
- Major Sales Contract extended

Lowlights

- Picton and Largs Bay losses \$1,883,644
- Subsidised imports have a material impact on sales
- Infrastructure required for domestic biodiesel

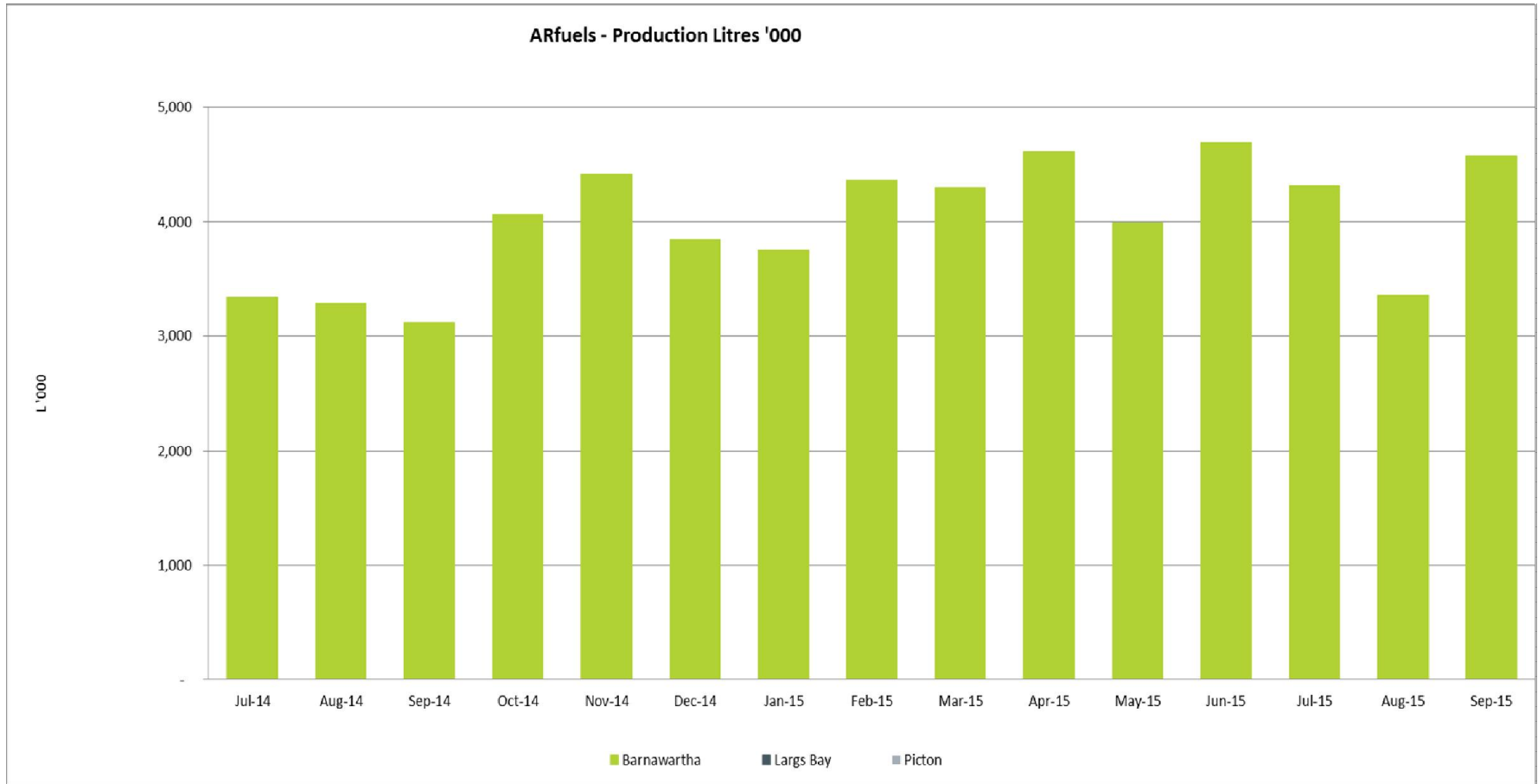
Operations Review - Sales



Unaudited figures



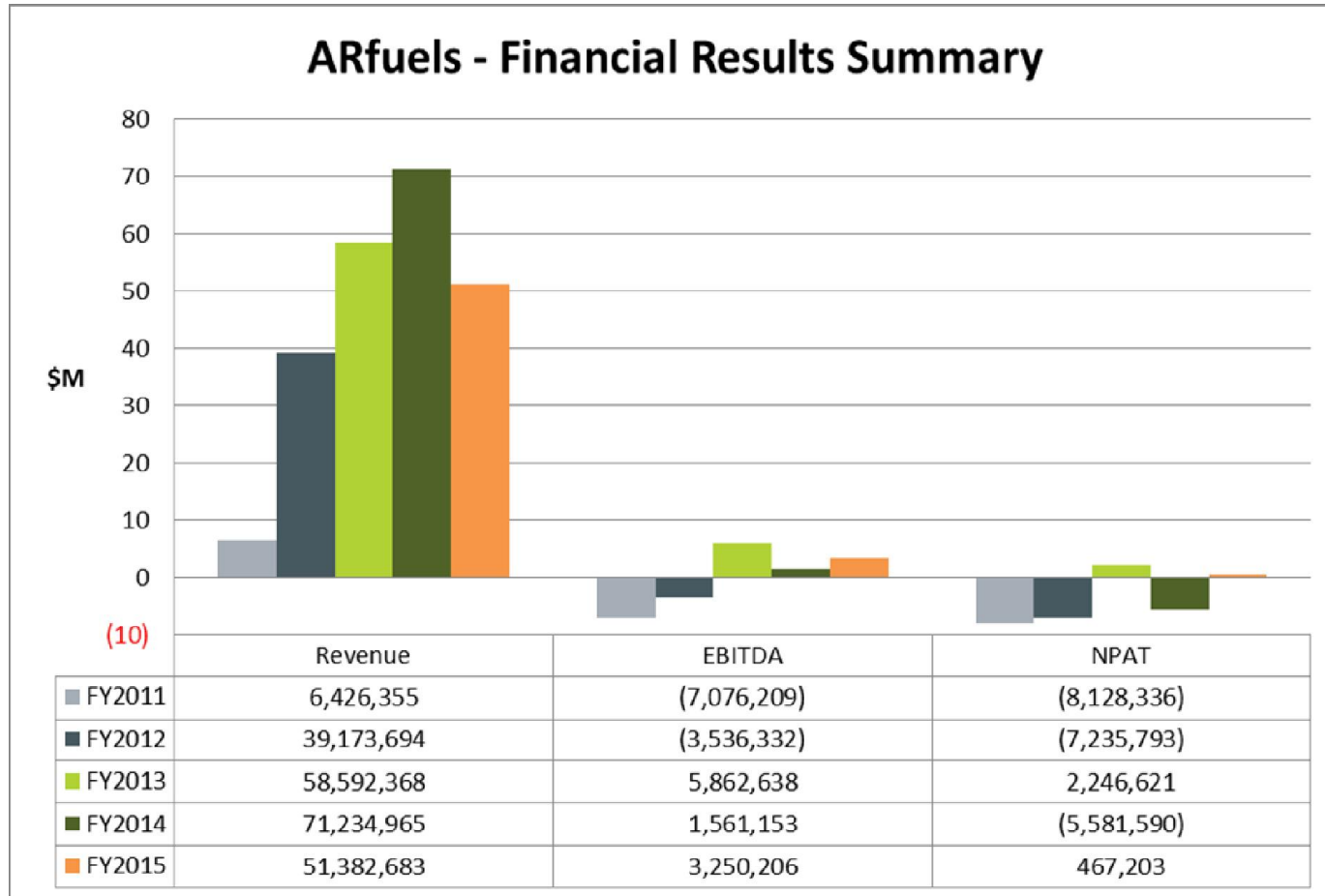
Operations Review - Production



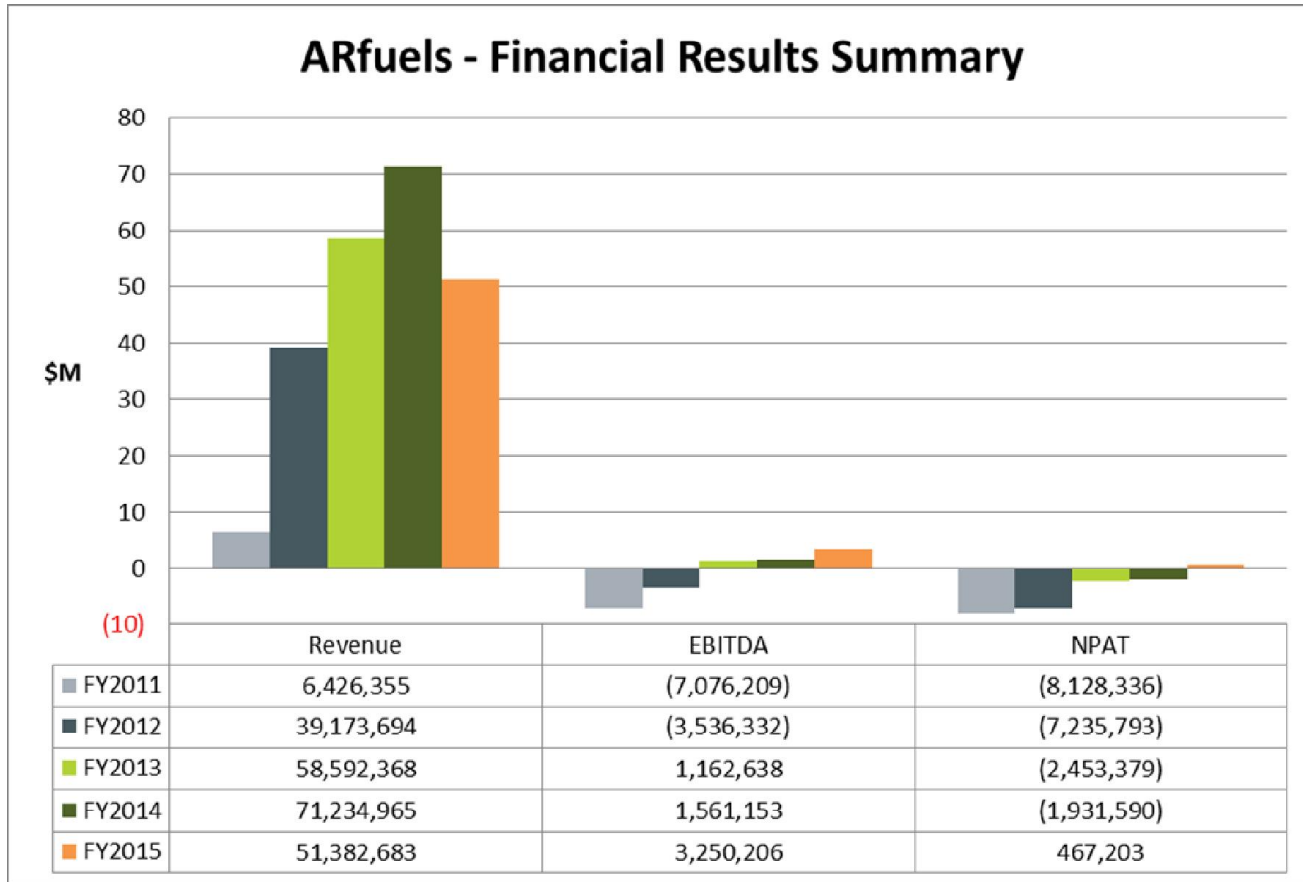
Unaudited figures



Financials



Financials



Adjustments:

Exclude insurance recoveries (2013) and impairment charges (2014)



2015 Business Review

- Difficult year:
 - Subsidised imports affecting domestic sales
 - Australian Government Policy – June 2015
 - Huge effort and resources applied
 - Holding losses at Largs Bay and Picton
 - Operating costs reduced
 - Board restructure
 - Head office restructure and move to Barnawartha
 - Admin, consulting and personnel cost reductions
 - Focus on being flexible for ongoing operations

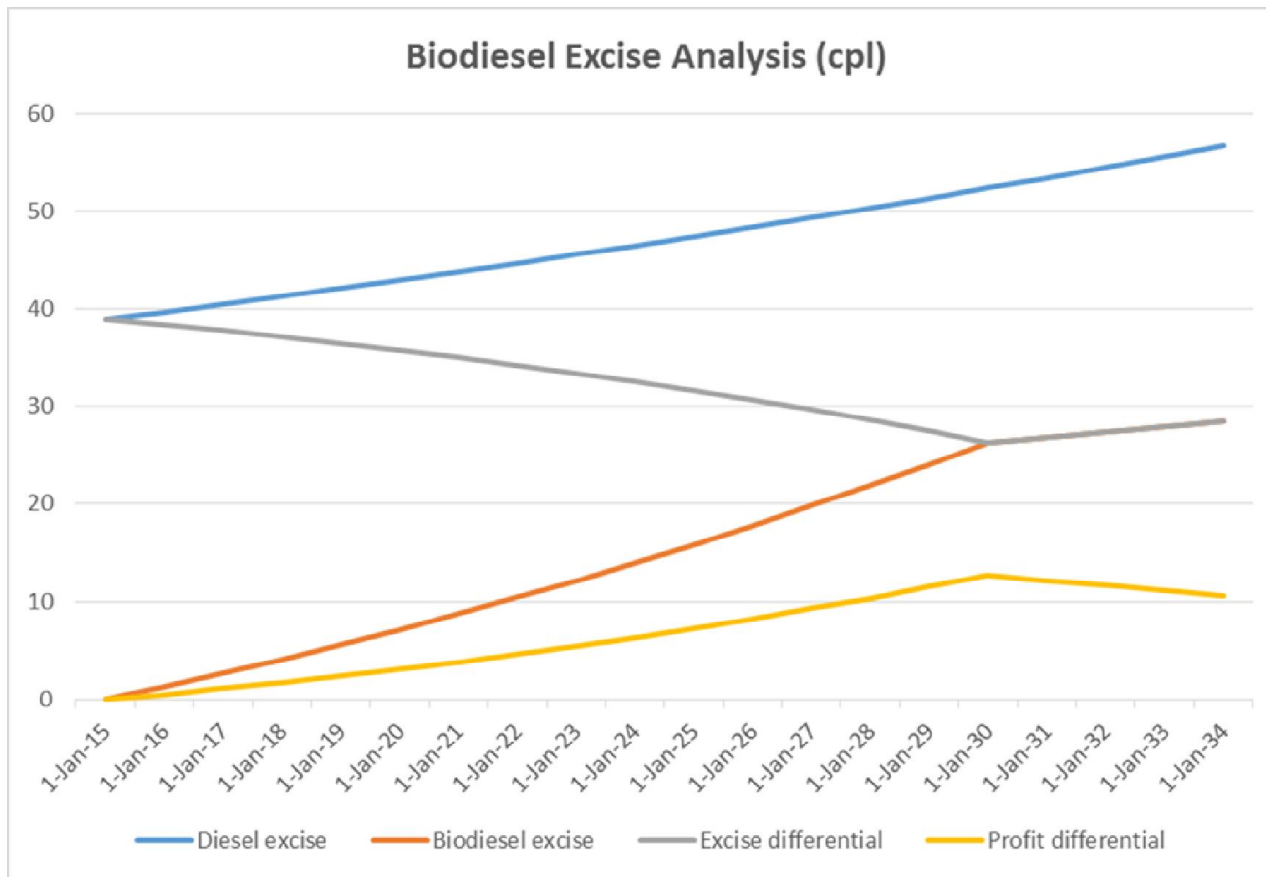
Government Excise

- Has the support of all sides of the Parliament and the industry.
- Phase in of excise payable on biodiesel in equal increments over the next 16 years, from a zero rate in 2015-16 to a final rate of 50% of the full diesel excise rate in 2030-31.
- This time frame provides a sustainable and positive platform for the industry and ARfuels to develop and grow over the longer term.
- Excise is payable on imported biodiesel at the full rate, currently \$0.389 per litre from 1 July 2015.



Government Excise

	1-Jul-15	1-Jul-16	1-Jul-17	1-Jul-18	1-Jul-19	1-Jul-20	1-Jul-21	1-Jul-22	1-Jul-23	1-Jul-24	1-Jul-25	1-Jul-26	1-Jul-27	1-Jul-28	1-Jul-29	1-Jul-30	1-Jul-31	1-Jul-32	1-Jul-33	1-Jul-34
Diesel excise	38.9	39.68	40.47	41.28	42.11	42.95	43.81	44.68	45.58	46.49	47.42	48.37	49.33	50.32	51.33	52.35	53.40	54.47	55.56	56.67
Biodiesel excise	0	1.32	2.70	4.13	5.61	7.16	8.76	10.43	12.15	13.95	15.81	17.73	19.73	21.81	23.95	26.18	26.70	27.23	27.78	28.33
Excise differential	38.90	38.36	37.77	37.15	36.49	35.79	35.05	34.26	33.42	32.54	31.61	30.63	29.60	28.52	27.37	26.18	26.70	27.23	27.78	28.33
Profit differential	0.00	0.54	1.13	1.75	2.41	3.11	3.85	4.64	5.48	6.36	7.29	8.27	9.30	10.38	11.53	12.72	12.20	11.67	11.12	10.57



2016 Outlook

OPERATIONS

- Barnawartha:
 - Drive sales and productivity
 - Removal of imports from 1 July 2015 should provide sales stimulus
- Picton:
 - Continue to work on gaining access to WA market
 - Bioworks Agreement for cooperation completed
 - Execute new sales contracts
 - Plant restart
- Largs Bay:
 - Will remain mothballed this year
 - Biodiesel sales through the site will continue
 - Other revenue options are being explored



2016 Outlook

OTHER ACTIVITIES

- Review Capital Structure – Refinance of Convertible Notes
- Investor relations activity to increase
- Provide support for State biofuels mandates
- Cost structure has been reduced
- Economics of sales price and feedstock costs are consistent with prior years
- Break Even is approximately 48 million litres per annum





ARfuels Barnawartha Plant.

Disclaimer

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