



AR*fuels*

Australian Renewable Fuels Limited



- Background
- Business Model
- Operating Performance
- Outlook

Australian Renewable Fuels Limited

- ARfuels is Australia's largest biodiesel producer
- Biodiesel is an advanced biofuel
 - Is a substitute, extender, improver to mineral diesel
 - Used as a 5% blend or 20% blend (B5 or B20)
 - Reduces greenhouse gas emissions and other harmful human health emissions by over 80%
 - World wide consumption and demand for biodiesel is increasing
 - 2015 over 20 billion litres of biodiesel consumed globally
 - Australian diesel market is ~20 billion litres
 - ARfuels production capacity is 100+ million litres



2013 WORLD BIOFUELS' INCORPORATION RATES



CANADA

NATIONAL Mandate
Total Ethanol content in ULP 5%, Total Biodiesel content 2%

UNITED STATES OF AMERICA

NATIONAL Mandate
Renewable Fuels consumption 52.2 billion liters, 68 billion liters by 2016 and at least 136 billion liters a year by 2020, 10% for Ethanol (vol).

MEXICO Mandate
Ethanol content 2%

SOUTH AMERICA

ARGENTINA Mandate
Biodiesel 10% content, Ethanol 5% content by volume.

JAMAICA Mandate
Ethanol content 10% by volume.

BRAZIL Mandate
Ethanol content in ULP 25%, Biodiesel 3%, increasing to 5% by 2015.

PANAMA Mandate
Ethanol 2% (vol) as of Sept 2013.

CHILE Mandate
15 Ethanol and 83 Biodiesel.

PARAGUAY Mandate
Ethanol content 25% by volume.

COLUMBIA Mandate
Ethanol content 10%.

PERU Mandate
Ethanol content 8% by volume.

COSTA RICA Mandate
Ethanol content 7% by volume and 83 Biodiesel.

URUGUAY Mandate
Ethanol 5% (vol).

EUROPE

AUSTRIA Mandate
Total Biofuel content 5.75% by energy content (3.4% for Ethanol content).

CZECH REPUBLIC Mandate
Total Biofuels market share 5.75% based on energy content, Ethanol 4.1% by volume, Biodiesel 6% by volume.

BEELGIUM Mandate
10% for Ethanol (vol).

BULGARIA Mandate
Biofuels market share of 5.75% by energy content.

DENMARK Mandate
Total Biofuel content of 5.75% based on energy content.

ESTONIA Mandate
Biofuels market share of 5.75% by energy content.

HUNGARY Mandate
Total Biofuel content 5.75% by energy content, Min 4.4% for Ethanol (vol).

ITALY Mandate
Total Biofuel content 5% based on energy content.

NETHERLANDS Mandate
Min 1.3% for Ethanol (vol).

FINLAND Mandate
Total Biofuel content 6% by energy content.

FRANCE Mandate
7% biofuels market share by energy content, 2% for Ethanol (vol).

GERMANY Mandate
Biofuels quota to 25% increasing to 9.25% annually until 2015. Minimum obligation Ethanol 2.8% by energy content, Biodiesel 4.4% by energy content.

GREECE Mandate
Total Biofuel content 5.75% by energy content.

HUNGARY Mandate
Total Biofuel content 5.75% by energy content, Min 4.4% for Ethanol (vol).

IRELAND Mandate
Total Biofuel content 6% based on energy content.

LATVIA Mandate
Total Biofuel content 5.75% by energy content, 5% for Ethanol (vol).

LITHUANIA Mandate
Biofuels 5.75% (vol).

LUXEMBOURG Mandate
Biofuels content 2%.

MALTA Mandate
Total Biofuel content 1.25% by energy content.

NORWAY Mandate
Biofuel content 7%.

POLAND Mandate
Total Biofuel content 7.7% by energy content.

LITHUANIA Mandate
Biofuels 5.75% (vol).

LUXEMBOURG Mandate
Biofuels content 2%.

MALTA Mandate
Total Biofuel content 1.25% by energy content.

NETHERLANDS Mandate
Min 1.3% for Ethanol (vol).

SLOVENIA Mandate
Total Biofuel content 6.5%.

SPAIN Mandate
Total Biofuel 6.2% by energy value, 3.9% for Ethanol (vol).

SWEDEN Mandate
Total Biofuel content 6.75% by energy content, 6.3% for Ethanol (vol).

TURKEY Mandate
2% Ethanol content by January 1, 2013, increasing to 3% by 2014.

ROMANIA Mandate
Total Biofuel 5% by volume, 6% for Ethanol (vol).

SLOVAKIA Mandate
Total Biofuel content 5.75% by energy content, 3.2% for Ethanol (vol).

UNITED KINGDOM Mandate
Biofuels 4.5% (vol) increasing to 5% by May 2013.

AFRICA

ANGOLA Mandate
Ethanol 10% (vol).

ETHIOPIA Mandate
Ethanol 10% (vol), 40% Ababa region only.

KENYA Mandate
Ethanol 10% (vol).

MALAWI Mandate
Ethanol 10% (vol).

SOUTH AFRICA Mandate
Ethanol 2% (vol). Legislation approved for maximum 2-10% (vol) for fuel ethanol. E10 blend introduced.

SUDAN Mandate
Ethanol 5% (vol).

ZAMBIA Mandate
Ethanol 10%, Biodiesel 2% (vol).

ZIMBABWE Mandate
Ethanol 5% (vol).

ASIA

PHILIPPINES Mandate
Maximum Ethanol content of 10% total volume, E10 is mandated.

SOUTH KOREA Mandate
E2 Biodiesel mandate.

INDONESIA Mandate
Ethanol mandate 5% content.

INDONESIA Mandate
Ethanol 2% (vol), Biodiesel 2% (vol), gradually increasing to 3%.

THAILAND Mandate
Currently E10 mandated, Ethanol 20% compulsory in all ULP by 2016.

JAPAN Mandate
3% Bioethanol mandate, currently reviewing option to increase to 10%.

Vietnam Mandate
Ethanol 5% (vol).

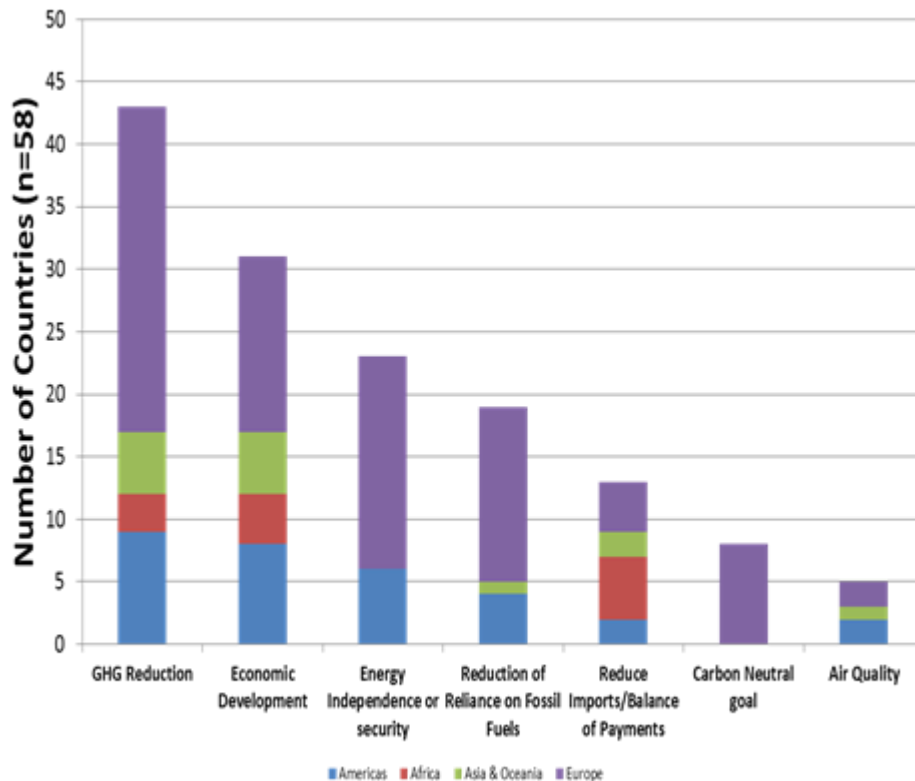
VIETNAM Mandate
Ethanol 5% (vol).

NEW SOUTH WALES Mandate
6% ethanol content by volume.

AUSTRALIA

NSW

Why is the World Mandating Biofuels



- There are a range of reasons why countries choose to move down the biofuel path.
- Many of these are very relevant to Australia.
 - Jobs/Economic Development
 - Fuel security / Independence
 - Reduce Fossil Fuel Reliance
 - Balance of Payments
 - Air Quality

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.



Australian Renewable Fuels Limited

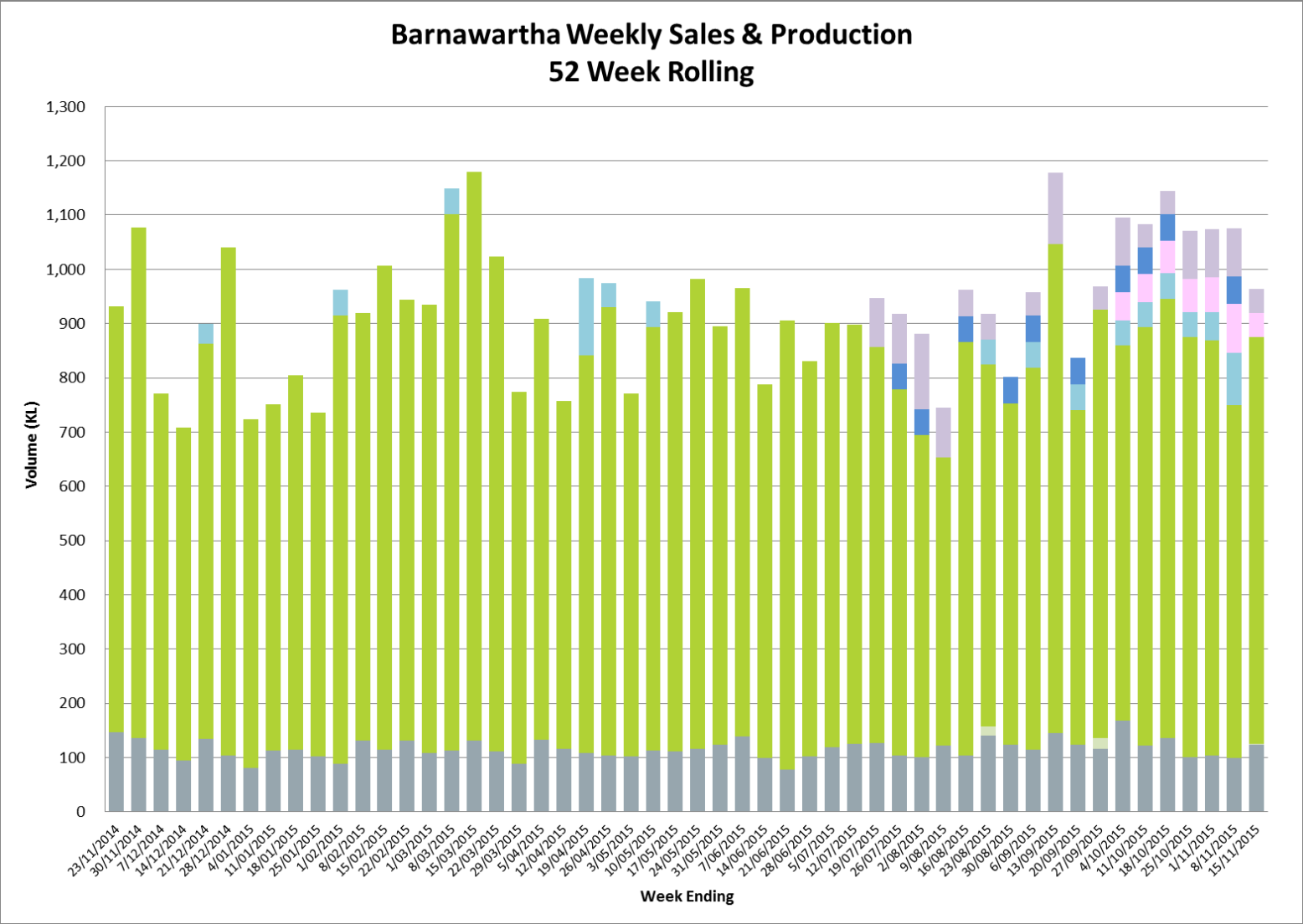
- ARfuels has three biodiesel plants
 - Barnawartha (Vic) 60 mtpa
 - Largs Bay (SA) 20+ mtpa
 - Picton (WA) 20+ mtpa
- We do not compete with food, land or water for our feedstocks – we use waste products that are sustainable
- We use animal fats, waste vegetable oils and used cooking oils as feedstocks
- We use ~ 50,000 tonnes per annum
- Australia produces over 500,000 tonnes of those feedstocks per annum
- Over 80% of that is exported



Australian Renewable Fuels Limited



ARfuels Sales



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

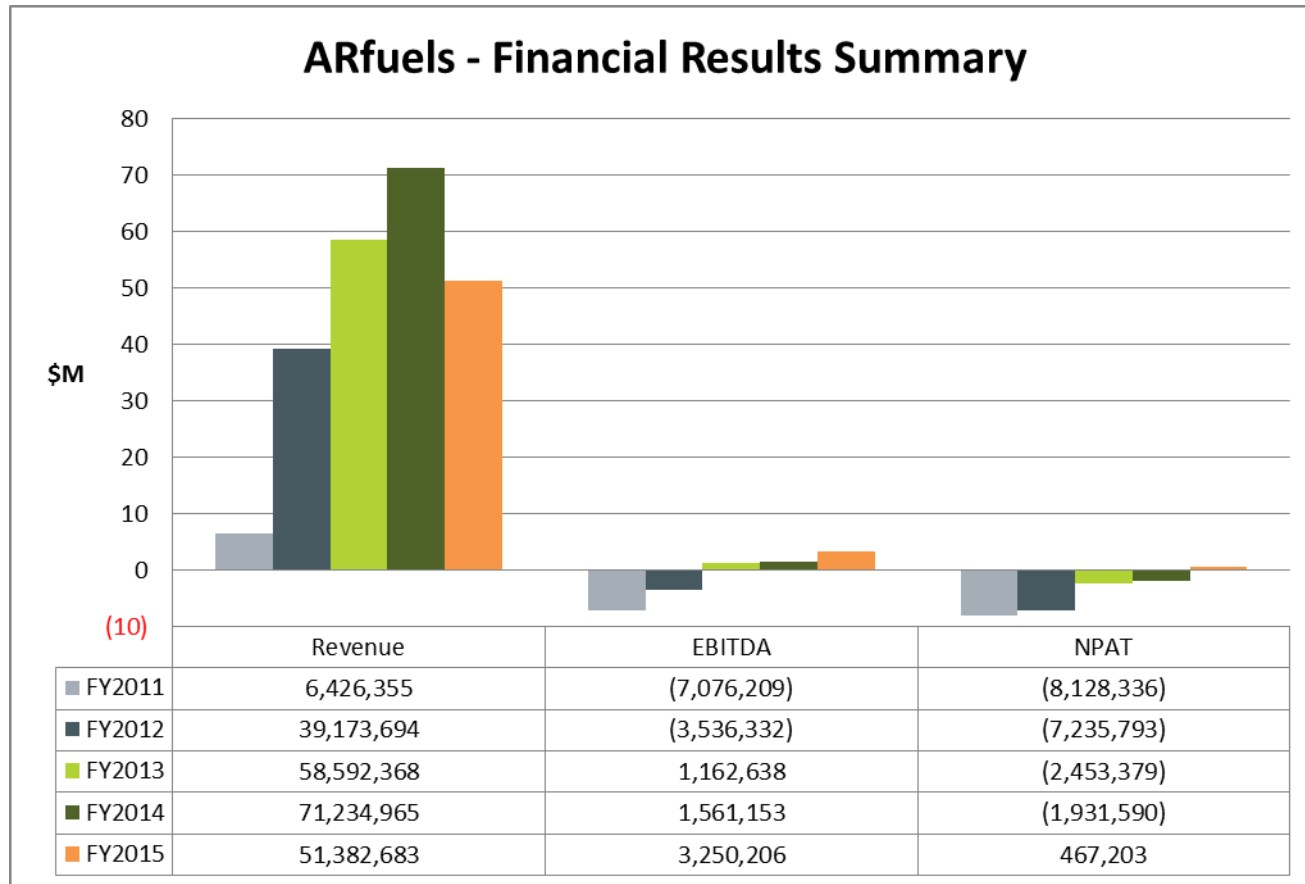
2015 Highlights

- 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

2015 Lowlights

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

Financials

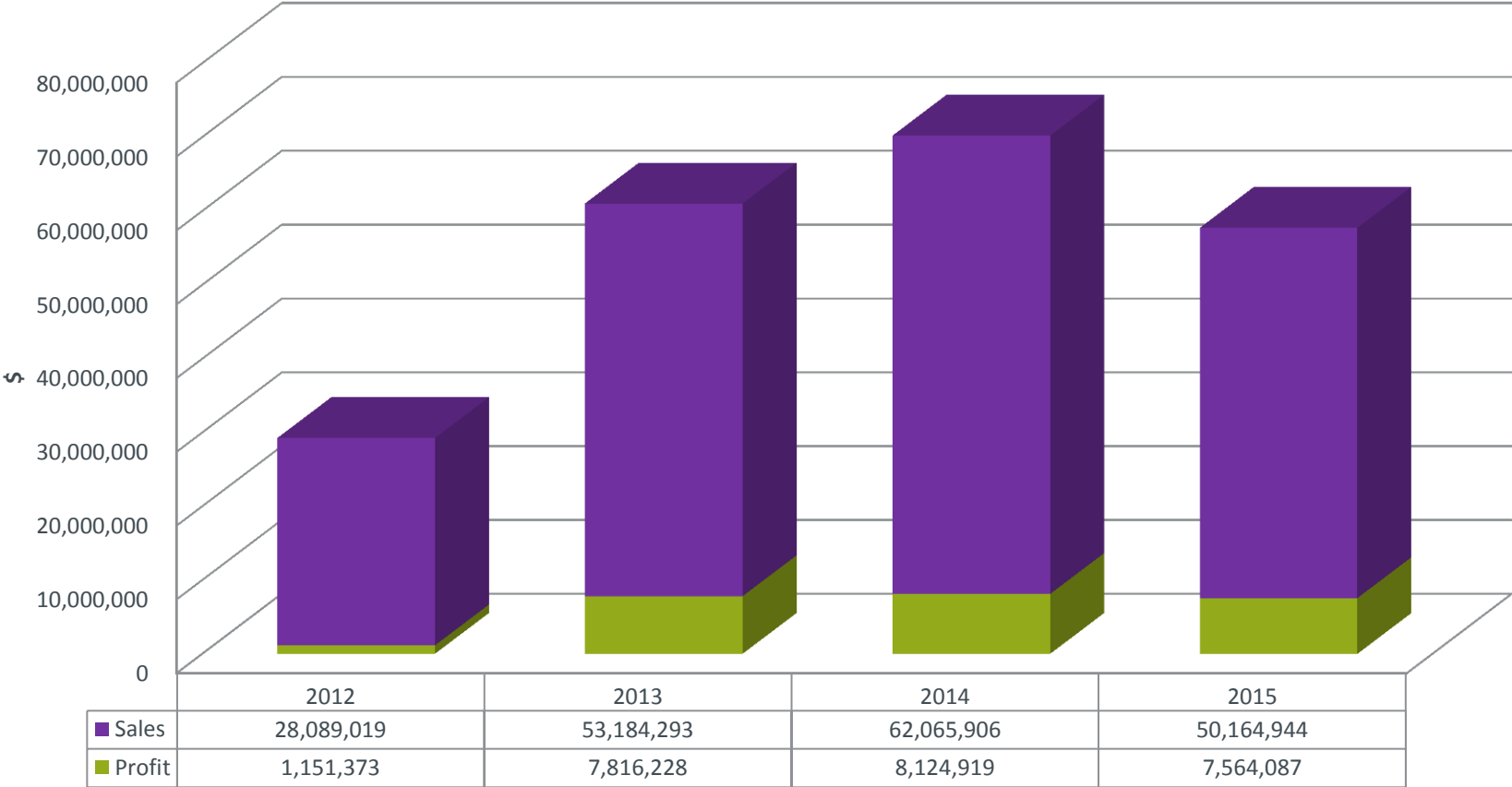


Adjustments:

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



Barnawartha Plant Performance



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

Disclaimer: This document was prepared by Australian Renewable Fuels Limited. This document contain statements that involve risks and uncertainties. These statements are not guarantees of Australian Renewable Fuels Limited future performance and involve a number of risks and uncertainties that may cause actual results to differ materially from the results discussed in these statements. This document only contains information required for a preliminary evaluation of the Company and in particular only discloses information by way of summary within the knowledge of the Company and its Directors. A reader should seek his own independent professional advice in relation to the technical, financial, taxation, legal and commercial matters relating to any potential investment in Australian Renewable Fuels Limited. Other than to the extent required by law (and only to that extent) the Company and its officers, employees and professional advisers make no representation, guarantee or warranty (expressed or implied) as to, and assume no responsibility or liability for, the contents of this presentation.

