

AUSTRALIAN RENEWABLE FUELS LIMITED

(SUBJECT TO DEED OF COMPANY ARRANGEMENT)

ACN 096 782 188

9 September 2016

BY ASX ONLINE – 2 pages

Manager Company Announcements
ASX Limited
Level 10
20 Bond Street
SYDNEY 2000

Dear Sir/Madam,

LETTER RECEIVED FROM THORNEY INVESTMENT GROUP

The Company has received the attached letter from Alex Waislitz, Chairman of Thorney Investment Group (**Thorney**). Thorney is a major shareholder in the Company.

The letter states that Thorney is working on a proposal to repurpose the Company to establish a new Listed Investment Company specialising in the technology sector (**Proposal**).

The Company has not yet received a formal offer from Thorney, but intends to engage with Thorney to determine whether the Proposal is in the best interests of the Company's shareholders.

At this stage, the Company advises that shareholders should take no action and await further advice from the Company, which will keep shareholders fully informed of developments in relation to the Proposal.

On behalf of the Board of Australian Renewable Fuels Limited,



CRAIG SMITH ACIS, CPA
Director and Secretary

9 September 2016

Dear fellow Australian Renewable Fuels Ltd ("ARW") shareholder,

Since ARW was placed into Administration by its board earlier this year (partially attributed to the unsupportive Government tax treatment of biodiesel), the Thorney Investment Group, has been working on a proposal for the Company.

The Thorney Investment Group has been for some time developing plans to launch a new Listed Investment Company (LIC) specialising in the technology sector. When ARW was placed into Administration, even though we had not been involved in operations or at board level, we identified the opportunity to potentially utilise the ARW vehicle as an appropriate company to pursue the new LIC initiative. We, like all shareholders, suffered a loss on our ARW investment, and we are hopeful that by launching the company as an LIC that it will provide all ARW shareholders who wish to participate an opportunity to invest in this new initiative.

We propose that the new LIC will be called Thorney Technologies Ltd and will specialise in investing in a range of both listed and unlisted companies at every stage of the technology life cycle - from venture capital to pre IPO and listed companies, including established companies which are using technology to help reshape their businesses.

Subject to obtaining the relevant approvals, including approvals from the ASX, ASIC and ARW shareholders, we expect that the new LIC will be launched later this year. We are in the early stages of seeking pre-commitments from sophisticated investors.

My reason for writing to you now is to let you know that our proposal will provide ARW shareholders, if interested, with a priority allocation to participate in a proposed retail capital raising (which is expected to be made available under a prospectus which will be distributed to all ARW shareholders in the coming months).

In the meantime, if you have any questions, please contact Hugh Robertson at Bell Potter, on hrobertson@bellpotter.com.au, who is co-ordinating the capital raise.

Yours faithfully,



Alex Waislitz
Chairman
Thorney Holdings Pty Ltd
(Thorney Investment Group)