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AJS:AP:D11
A Puddy

12 May 2009

**NATURAL FUEL LIMITED ACN 106 760 418
(Administrators Appointed) ("NFL")**

CIRCULAR TO CREDITORS

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I refer to the appointment of Martin Jones, Darren Weaver and I as Joint and Several Administrators of NFL on 9 April 2009 and the first meeting of creditors of NFL held on 23 April 2009.

The purpose of this circular is to advise creditors that the Administrators made an application to the Supreme Court of Western Australia ("the Court") seeking an adjournment of the second meeting of creditors for a period not exceeding 90 days. This application was approved and the Court granted orders to this effect on Tuesday 12 May 2009

I confirm that a 90 day extension will provide the Administrators with further time to:

1. Coincide with the proposed four (4) month moratorium of NFPL;
2. Continue discussions with a number of interested parties with regard to the possible restructure and / or recapitalisation of NFL and NFPL ultimately leading to a Deed of Company Arrangement proposal being put forward to creditors;
3. Obtain valuations of NFPL's bio-diesel facility located in Singapore; and
4. Complete their statutory investigations into NFL's affairs.

Following resolution of the above matters, the Administrators will be in a position to assess NFL's financial position and advise of the potential return to creditors under the various options that are proposed regarding the future of NFL.

Please note that the Court's orders extends the convening period for the second meeting of creditors of the Company from 26 May 2009 to 17 August 2009. In the event that the full period of the extension is not required by the Administrators to complete the above tasks, a meeting of creditors may be convened at an earlier date.



Creditors will be updated on the progress of the administration in due course.

In the interim, should you have any queries in relation to this matter please contact either Sean Holmes or Tom Birch at this office.

Yours faithfully

A handwritten signature in black ink, appearing to read 'A Saker', written in a cursive style.

ANDREW SAKER
Joint and Several Administrator of
Natural Fuel Limited