

AJS:sh  
S Holmes

12 November 2009

**PERTH**

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**NATURAL FUEL LIMITED ACN 106 760 418**  
**(Subject to Deed of Company Arrangement) ("NFL")**

**CIRCULAR TO CREDITORS**

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I refer to the Second Administrators' Reports to Creditors dated 12 October 2009 and the Supplementary Circular to Creditors dated 16 October 2009 in relation to NFL.

I advise that at the meeting of creditors of NFL held on 20 October 2009, creditors resolved that the Company execute a Deed of Company Arrangement ("DOCA") pursuant to Part 5.3A of the Corporations Act 2001 on the terms proposed by NRG Capital Pty Ltd ("NRG") as detailed in the Second Administrators' Reports to Creditors dated 12 October 2009.

The DOCA was executed on 10 November 2009 and lodged with the Australian Securities and Investments Commission on 11 November 2009. I further advise that Darren Weaver, Martin Jones and I became Joint and Several Deed Administrators of NFL on 10 November 2009.

As set out in the Second Administrators' Reports to Creditors dated 12 October 2009, it is anticipated that unsecured creditors will receive a dividend of 0.02 cents. At this stage of the administration I am not in a position to declare a dividend as it is subject to the effectuation of the condition precedents contained within the DOCA as follows:

1. Audit of NFL's statutory accounts;
2. Confirmation of NFL's reinstatement to official quotation on the ASX; and
3. Shareholder approval for the following:
  - i. The issue to NRG capital of 575 million shares in the Company at 0.1 cents per share to raise \$575,000;
  - ii. A non-renounceable rights issue of 1 new share for every 2 shares held and one free option (exercisable at 1 cent on or before 1 December 2012) for every 2 shares subscribed at a price of 0.0026 cents per new share to raise approximately \$1,406,095; and
  - iii. The appointment of Joshua Wellisch as a Director of the Company.

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I will update all creditors of NFL on the status of the administration as material events arise and in particular the timing of any dividend distributions.

In the interim, should you have any queries in relation to this matter, please do not hesitate to contact Sean Holmes or Adam Puddy of this office.

Yours faithfully

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

ANDREW SAKER  
Joint and Several Administrator of  
Natural Fuel Limited