

AJS:TB:AP:D11
A Puddy

12 October 2009

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

I refer to the appointment of Martin Jones, Darren Weaver and myself as Joint and Several Administrators of the above company on 9 April 2009.

Please be advised that creditors confirmed our appointment at a first meeting of creditors held on 23 April 2009, and also resolved to appoint a Committee of Creditors. Further, creditors resolved to adjourn the second meeting of creditors held on 17 August 2009 for a period not exceeding 45 business days. This adjournment has allowed for the following:

- a) To allow the Administrators further time to continue discussions with a number of interested parties of NFL and NFPL (and submit final offers as per the Administrators' timeframe discussed within this report) with regard to the possible restructure and recapitalisation of NFPL and ultimately leading to a DOCA proposal being put forward to creditors for NFL; and
- b) Following the above, the Administrators would be in a better position to assess the Company's financial position and advise of the potential return to creditors under the various options that are proposed regarding the future of the Company.

Please find enclosed our second Administrators' Report to creditors pursuant to section 439A(4)(a) of the Corporations Act 2001. We enclose the following regarding the meeting of creditors.

1. **Notice of Meeting.** Please note that the meeting commences at **2:30pm WST on Tuesday, 20 October 2009 and will be held at the offices of Ferrier Hodgson, Level 26, BankWest Tower, 108 St Georges Terrace, Perth WA.** You should arrive for registration at least **15 minutes** prior to the meeting.
2. **Informal Claim Form for Voting Purposes.** If you submitted one of these for the purposes of the first meeting of creditors, you do not need to submit another one for this meeting.

ADELAIDE
BRISBANE
NEWCASTLE
MELBOURNE
SYDNEY
HONG KONG
JAKARTA
KUALA LUMPUR
MANILA
MUMBAI
SHANGHAI
SINGAPORE
TOKYOAffiliated through
Zolfo Cooper
and
Kroll Worldwide
UNITED STATES
UNITED KINGDOM



A person is not entitled to vote at the meeting unless they provide particulars of the debt or claim to the Administrators before the meeting. **Please note this form is for voting purposes only.** All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the company or any lien over goods in their possession which are property of the company.

3. Appointment of Proxy form. The form enables you to appoint another person to act on your behalf at the meeting. **Proxy Forms submitted for the first meeting of creditors are not valid for this meeting.**

The Informal Claim Form for Voting Purposes and Proxy Form should be lodged with this office before the meeting and, in any event not later than 4.00pm on the business day prior to the meeting. Forms can be sent by facsimile on (08) 9214 1400 marked to the attention of Adam Puddy or scanned and emailed to apuddy@perth.fh.com.au. However, Corporations Regulation 5.6.36A requires lodgement of the original of the Proxy Form with the Administrators' office within 72 hours of lodging the faxed/emailed copy.

4. Second Administrators' report to creditors pursuant to section 439A(4)(a) of the Corporations Act 2001 which includes an opinion, with supporting reasons, on each of the following matters:
 - Whether it would be in the creditors' interests for the company to be wound up;
 - Whether it would be in the creditors' interests for the administration to end; and
 - Whether it would be in the creditors' interests to accept a DOCA proposal.

The Administrators' Remuneration

The Administrators' second report includes detailed schedules explaining their remuneration claim setting out:

- (a) Details of time spent by category of staff at the rates applicable for such staff; and
- (b) A summary of the work undertaken by the Administrators and their staff in the administration.

Remuneration of Deed Administrators / Trustees

Where creditors resolve to accept a DOCA proposal, the Deed Administrators / Trustees intend that their remuneration be fixed on the basis of time spent by them





and their staff of an appropriate level having regard to the nature and complexity of the work and calculated by reference to the hourly rates set out in the schedule accompanying the Notice of Meeting of Creditors sent out for the purposes of the second meeting of creditors. A further copy of the schedule is included in the Administrators' second report to creditors together with a schedule setting out the Deed Administrators' / Trustees' likely tasks.

Remuneration of Liquidators

Where creditors resolve that the company be wound up, the Liquidators intend that their remuneration be fixed on the basis of time spent by them and their staff of an appropriate level having regard to the nature and complexity of the work and calculated by reference to the hourly rates set out in the schedule accompanying the Notice of Meeting of Creditors sent out for the purposes of the second meeting of creditors. A further copy of the schedule is included in the Administrators' second report to creditors together with a schedule setting out the Liquidators' likely tasks.

For further information concerning the Voluntary Administration process and Ferrier Hodgson, you may wish to visit our website at www.ferrierhodgson.com. Queries regarding the administration should be directed to Adam Puddy of this office.

Yours faithfully

A handwritten signature in black ink, appearing to read 'A Saker'.

ANDREW SAKER
Joint and Several Administrator of
Natural Fuel Limited

Encl.

FORM 529

CORPORATIONS ACT 2001

Subregulation 5.6.12(2)

NOTICE OF MEETING OF CREDITORS
NATURAL FUEL LIMITED
(ADMINISTRATORS APPOINTED)
ACN 106 760 418 ("the Company")

NOTICE is given that the second meeting of the creditors of the Company will be held at the offices of Ferrier Hodgson, Level 26 BankWest Tower, St George's Terrace, Perth, Western Australia on 20 October 2009 at 2.30pm WST.

A G E N D A

1. To receive a Statement about the Company's business, property, affairs and financial circumstances.
2. To receive the second report of the Administrators.
3. Questions from creditors.
4. For creditors to resolve:
 - a. that a proposal be accepted for a Deed of Company Arrangement ("DOCA"); or
 - b. that the administration should end; or
 - c. that the Company be wound up.
5. To approve the Administrators remuneration.
6. If a DOCA proposal is accepted, to approve the Deed Administrators remuneration.
7. If the Company is wound up, to consider appointing a Committee of Inspection.
8. If no Committee is appointed, to fix the remuneration of the Liquidators.
9. If no Committee is appointed, to consider the destruction of the books and records at the conclusion of the winding up.
10. Any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Joint and Several Administrators by 4.00pm on the business day prior to the meeting. A creditor can only be represented by proxy or by an attorney pursuant to Corporations Regulations 5.6.28 and 5.6.32 (inclusive) or if a body corporate by a representative appointed pursuant to Section 250D.

In accordance with Regulation 5.6.23(1) of the Corporations Regulations, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company in accordance with the Corporations Regulations and that clause has been admitted for voting purposes wholly or in part by the Administrators.

If you are unable to attend in person, conference telephone facilities are attached.

DATED this 12th day of October 2009



ANDREW SAKER
Joint and Several Administrator of
Natural Fuel Limited

DIAL IN DETAILS

Service Access Numbers are:

National Access:	1800 672 949
Metered Access:	03 8600 9130
International Access: (Int. Access Code)	+61 3 8600 9130
Your Account Number is:	75268327
Your Guest Pin is:	8260

BRAZIL:	0800 8918420
CANADA:	1800 4344158
CHILE:	123 00203923
NORTHERN CHINA:	1080 06100321
SOUTHERN CHINA:	1080 02610321
FRANCE:	0800 919766
GERMANY:	0800 1830411
HONG KONG:	800 900199
INDIA:	000 800 610 1020
INDONESIA:	0018 0361523
ITALY	800 782061
JAPAN:	0053 1610037
MALAYSIA:	1800 805746
NEW ZEALAND:	0800 944449
PHILIPPINES:	1800 16110259
SINGAPORE:	800 6161713
SOUTH AFRICA:	0800 993136
SOUTH KOREA:	0079 86115212
TAIWAN:	00801 611405
THAILAND:	0018 006112848
UK:	0800 3289967
USA:	1888 3822834

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

NATURAL FUEL LIMITED
(ADMINISTRATORS APPOINTED)
ACN 106 760 418

Name of creditor:

Address of creditor:

.....

ABN:

Telephone number:

Amount of debt claimed: \$..... (including GST \$.....)

Consideration for debt (i.e. the nature of goods or services supplied and the period during which they were supplied):

.....

.....

.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....

.....

.....

Other information:

.....

.....

.....
Signature of Creditor
(or person authorised by creditor)

Notes:

Under the Corporations Regulations, a creditor is not entitled to vote at a meeting unless (Regulation 5.6.23):

- a. his or her claim has been admitted, wholly or in part, by the Joint and Several Administrators; or
- b. he or she has lodged with the Joint and Several Administrators particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security.

Proxies must be made available to the Joint and Several Administrators.

**CORPORATIONS ACT 2001
APPOINTMENT OF PROXY CREDITORS MEETING**

**NATURAL FUEL LIMITED
(ADMINISTRATORS APPOINTED)
ACN 106 760 418**

*I/*We¹
of
a creditor of Natural Fuel Limited (Administrators Appointed), appoint²
or in his absence as.....
*my/our *(i) general OR *(ii) special proxy³ to vote at the meeting of creditors to be held on Tuesday, 20 October 2009 or at
any adjournment of that meeting, to vote
(i) on all matters arising at the meeting; OR
(ii) on each of the following kinds of resolution in the manner specified:

	For	Against	Abstain
(a) A resolution that the company execute a DOCA as proposed by NRG Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) A resolution that the company execute a DOCA as proposed by Cygnet Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) A resolution that the company execute a DOCA as proposed by TECO Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) A resolution that the Administration end	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) A resolution that the Company be wound up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) A resolution that the Administrators' remuneration for the period 1 August 2009 to 2 October 2009 in the amount of \$48,205.50 exclusive of GST be approved	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g) A resolution that a provision for the Administrators' remuneration for the period 3 October 2009 to 20 October 2009 in the amount of \$15,000.00 exclusive of GST be approved but subject to upward or downward adjustment by resolution of creditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(h) A resolution that if a DOCA proposal is accepted, the Deed Administrators remuneration for the duration of the administration period in the amount of \$75,000.00 exclusive of GST be approved but subject to upward or downwards adjustment by resolution of creditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(i) A resolution that a provision for the Liquidators' remuneration for the Liquidation period in the amount of \$55,000.00 exclusive of GST be approved but subject to upward or downward adjustment by resolution of creditors and that the Liquidators' be authorised to draw their fees monthly in arrears	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(j) A resolution that if the Company is wound up, a Committee of Inspection be appointed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(k) If the company is placed into liquidation, a resolution that the books and records of the company be disposed of 12 months after the dissolution of the company or earlier at the discretion of the ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Strike out if inapplicable

¹ If a firm, strike out "I" and set out the full name of the firm.

² Insert the name, address and description of the person appointed.

³ If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.

OR

I am a secured creditor and the total amount owed to me is \$

DATED this day of 2009

.....
Signature⁵ of individual or person⁶
authorised by corporate resolution to
represent the corporation

OR The Common Seal of⁴

was hereunto affixed in the
presence of

.....
Director

.....
Secretary

CERTIFICATE OF WITNESS⁷

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person
appointing the proxy and read to him before he attached his signature or mark to the instrument.

DATED this day of 2009

.....
Signature of Witness

.....
Description

.....
Place of Residence

⁴ The method of affixing the Common Seal is prescribed in Section 127(2) of the Corporations Act 2001 and, usually, the creditor corporation's constitution.

⁵ The signature of the creditor is not to be attested by the person nominated as proxy.

⁶ A corporation may only be represented by proxy or by an attorney appointed pursuant to Corporations Regulations 5.6.28 and 5.6.31A respectively or, by a representative appointed under Section 250D of the Corporations Act 2001. Copy of authority/power of attorney to be annexed.

⁷ This certificate is to be completed only where the person giving it is blind.