

**NATURAL FUEL**

3 June 2011

Mr Joseph Jeevaraj
Adviser, Listings (Perth)
ASX Limited
Level 8 Exchange Plaza
PERTH WA 6000

Dear Joseph

NATURAL FUEL LIMITED

We refer to your letter dated 2 June 2011 in respect to the late lodgement of the required Appendix 3Xs – Initial Directors' Interest Notices.

Having regard to ASX Listing Rules 3.19A and 3.19B and Guidance Note 22 "Director Disclosure Interests and Transactions in Securities – Obligations of Listed Entities", we respond as follows:

1. The directors were appointed on 18 May 2011 with Initial Directors' Interest Notices required to be lodged by 25 May 2011. Following the appointment of the two new directors, the Company's records were obtained from the Administrator and fresh access to the ASX Online lodgement platform obtained. This resulted in a delay to the lodgement of Initial Directors' Interests Notices.
2. The Company believes that it now has adequate arrangements in place, which include processes to inform the Company's directors of their obligations to advise the Company of securities trading activity and acknowledgements of the directors in relation to these issues.
3. The Company believes that the current arrangements to ensure compliance with Listing Rule 3.19B are adequate.

Yours sincerely

Peter Webse
Company Secretary
Natural Fuel Limited



ASX Compliance Pty Limited
ABN 26 087 780 489
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 (08) 9224 0003
Facsimile 61 (08) 9221 2020
Internet <http://www.asx.com.au>

2 June 2011

Mr Simon Lill
Director
Natural Fuel Limited
Level 26, 108 St Georges Terrace
Perth WA 6000

By email: simon@tridentcapital.com.au

Dear Simon

Natural Fuel Limited (the "Company") – Appendices 3X – Initial Directors' Interest Notice

We refer to the following:

1. Company's announcements lodged with ASX Ltd ("ASX") on 2 June 2011 regarding an initial director's interest for both Mr Simon Cole and Simon Lill ("Appendices 3X").
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.The entity must complete an Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete an Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete an Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendices 3X indicate that Mr Cole and Mr Lill were both appointed on 18 May 2011. It appears that the Directors' Notices should have been lodged with ASX by 25 May 2011. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the directors concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

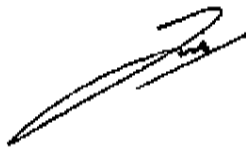
1. Please explain why the Appendices 3X was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than **5.00pm WST on Monday 6 June 2011**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely



Joseph Jeevaraj
Adviser, Listings (Perth)



NATURAL FUEL

3 June 2011

Mr Joseph Jeevaraj
Adviser, Listings (Perth)
ASX Limited
Level 8 Exchange Plaza
PERTH WA 6000

Dear Joseph

NATURAL FUEL LIMITED

We refer to your letter dated 2 June 2011 in respect to the late lodgement of the required Appendix 3Zs – Final Directors' Interest Notices.

Having regard to ASX Listing Rules 3.19A and 3.19B and Guidance Note 22 "Director Disclosure Interests and Transactions in Securities – Obligations of Listed Entities", we respond as follows:

1. The directors resigned on 16 and 17 August 2010 with Final Directors' Interest Notices required to be lodged by 23 and 24 August 2010. During that period the Company was in Administration, with the powers and duties of the directors suspended under the provisions of the Corporations Act. Following effectuation of the Deed of Company Arrangement on 7 September 2010, control of the Company reverted back to the directors. Upon the appointment of the two new directors, the Board subsequently conducted a compliance review and became aware of the failure to lodge the outstanding notices and took steps to rectify these matters.
2. The Company believes that it now has adequate arrangements in place, which include processes to inform the Company's directors of their obligations to advise the Company of securities trading activity and acknowledgements of the directors in relation to these issues.
3. The Company believes that the current arrangements to ensure compliance with Listing Rule 3.19B are adequate.

Yours sincerely

Peter Webse
Company Secretary
Natural Fuel Limited



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2 June 2011

Mr Simon Lill
Director
Natural Fuel Limited
Level 26, 108 St Georges Terrace
Perth WA 6000

By email: simon@tridentcapital.com.au

Dear Simon

Natural Fuel Limited (the "Company") – Appendices 3Z – Final Directors' Interest Notice

We refer to the following;

1. The Appendices 3Z lodged by the Company with ASX on 2 June 2011 for both Mr Rob Rooke and Mr Richard Selwood.
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
 - *On the date that the entity is admitted to the official list.*
 - *On the date that a director is appointed.**The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.*
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendices 3Z indicated that both Mr Rob Rooke and Mr Richard Selwood ceased to be directors on 16 August 2010 and 17 August 2010 respectively. It appears the Appendices 3Z should have been lodged with ASX by 23 August 2010 for Mr Rob Rooke and 24 August 2010 for Mr Richard Selwood. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the directors concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

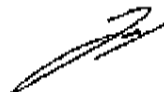
1. Please explain why the Appendices 3Z were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than **5pm WST on Monday, 6 June 2011**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

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Joseph Jeevaraj

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