biodiesel doesn't cost the earth

Dear Shareholder

I am pleased to advise that the **Non-Renounceable Rights Issue** received resounding shareholder approval at the Company's Extraordinary General Meeting on Friday 27 April 2007.

The level of shareholder support provides the Board with a mandate to move forward to work towards securing the Company's future. In particular, we will strengthen our focus on the "tallow-only" strategy and continue North American activities. It is the Board's view that these strategies will provide the basis for the Company's future growth.

In addition, the Rights Issue will ensure that the Company has the working capital required to meet our short to medium term objectives. The Rights Issue will allow the Company to repay debt (if required), complete the upgrade of the Narangba plant, and progress North American opportunities, all of which aim to enhance shareholder value.

As a shareholder you are entitled to participate in the Company's equity raising through 7 for 3 Non-Renounceable Rights Issue of new fully paid ordinary shares in the Company.

Below is a timetable of critical dates:

2 May 2007	"Ex" Date
8 May 2007	Record Date
14 May 2007	Prospectus/Entitlement & Acceptance form mail out
28 May 2007	Offer closes
5 June 2007	Despatch date of Holding Statements

The details of the Rights Issue are summarised below:

319,305, 600	The 319,305,600 fully paid ordinary shares will rank equally in all respects with existing quoted ordinary shares
$0.05	Price per share
$15,965,280	The Company expects to raise approximately $15,965,280 as announced to the market on 19 March 2007
7:3	The ratio of shares is 7 new shares for every 3 existing shares held
Round-down	The entitlements will be rounded down in relation to fractions of shares held
Underwriter	The lead underwriter is BBY Limited
Sub-underwriter	The sub-underwriter is Transfield Infrastructure Pty Ltd

The offer is made only to Shareholders with a registered address on the Record Date in Australia or New Zealand. Further information regarding the offer is available from the Company's website or the ASX website; please refer to the Appendix 3B lodged on Monday 30 April 2007, as well as the Rights Issue Prospectus lodged on 23 March 2007. The Directors of the Company encourage you to carefully read the prospectus when you receive it within the next couple of weeks and consider your investment in the Rights Issue.

Yours sincerely

J A Keniry

John Keniry
Chairman
30 April 2007

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