



AUSTRALIAN RENEWABLE
FUELS LIMITED

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Friday 23 February 2007

ASX Release

Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam,

**Australian Renewable Fuels Limited (ASX code: ARW)
US Subsidiary (American Renewable Fuels Inc) In Announcement
by Governor Richardson**

Australian Renewable Fuels Limited ("ARFuels") is pleased to inform the market that its US subsidiary, American Renewable Fuels Inc., was the subject of a press release by the Governor of New Mexico and presidential candidate, Governor Bill Richardson. This announcement is the latest milestone in the implementation of an expansion strategy initiated by the Company in 2005.

The full media release is attached to and forms part of this announcement.

The further funding required for the Company's US expansion is being sought by American Renewable Fuels Inc. in the US and consequently is not expected to have any further cash flow impact on ARFuels.

As regards to Australian operations, the Company's production performance under the Biofuels Capital Infrastructure Grant continues to progress well and performance to date achieves the requirements of the grant deed with the Federal Government.

Att: 3 pages

For further information, please contact:

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ENDS



BILL RICHARDSON
GOVERNOR

RICK HOMANS
CABINET SECRETARY

For Immediate Release
February 22, 2007

Contact: Melissa Milam
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Governor Richardson Announces New Biodiesel Plant in Clovis

Plant Will Bring 30 to 40 Full-time Jobs to Clovis by 2008, Plus 100 Construction Jobs

CLOVIS, NM - Governor Bill Richardson announced today that American Renewable Fuels, a subsidiary of Australian Renewable Fuels Limited, plans to build a biodiesel production facility in Clovis that will have the capacity to produce 75 million gallons of biodiesel each year.

The Clovis facility will create 40 high wage, full-time jobs as well as up to one hundred construction jobs. Construction is expected to begin in July or August of this year, with the plant scheduled for operation in fall of 2008. The total capital investment is expected to be \$80 million dollars.

"New Mexico continues to lead the way in becoming the nation's Clean Energy State," said Governor Richardson. "This biodiesel plant will create jobs and help us end our reliance on foreign oil. It proves that we can create American energy independence and grow our economy at the same time."

"American Renewable Fuels (ARFuels) is excited to announce its intention to develop a major biodiesel facility in the city of Clovis," said Ross Garrity, CEO of American Renewable Fuels. "After careful consideration of a number of potential sites, Clovis was chosen because of its proximity to feedstock (inputs such as fats and vegetable oils), location on the national rail grid, and most importantly the support of the State and Local governments to encourage growth of alternate fuel production in the State of New Mexico."

"This plant will be the first large scale commercial production of biodiesel in New Mexico," said Clark Krause, President of the NM Economic Development Partnership. "The city of Clovis and the Clovis Industrial Development Corporation worked closely with the State and American Renewable Fuels to make this a reality."

"We welcome American Renewable Fuels to our community and the most promising renewable energy – biodiesel," said Clovis Mayor David Lansford. "This is an exciting opportunity for Clovis and Curry County to be a part of expanding the country's renewable energy resources."

American Renewable Fuels has chosen a 20-acre site in Clovis for the new facility, at the intersection of Curry County Road No. 8 and Curry County Road No. K. The plant will use fats, primarily local animal tallow feedstock, to produce biodiesel via a patented process that utilizes a Continuous Trans Esterification Reactor (CTER). The Energea CTER technology is a continuous conversion process capable of processing a wide range of fats as feedstock. American Renewable Fuels owns the exclusive patent rights to the Energea technology in the NAFTA region.

The Clovis facility will produce two by-products, approximately 36,000 tons of raw glycerin and 4,800 tons of sulphate of potash fertilizer. American Renewable Fuels expects burn the glycerin to power the plant, and will sell the potash fertilizer to farmers. The only emissions from the plant will be the flue gases from a gas fired steam boiler and there will be no visible plumes or discernable odours.

"American Renewable Fuels will be a great addition to the value-added agricultural industry in Curry County," stated Clovis Industrial Development Corporation President Lee Malloy.

"The new biodiesel plant in Clovis is the way of the future and great news for New Mexico," said Energy, Minerals and Natural Resources Cabinet Secretary Joanna Prukop. "It is an example of how our state is moving forward to reduce green house gas emissions, diversifying our fuel supply and working to increase the production and usage of clean burning fuels."

About American Renewable Fuels:

Australian Renewable Fuels Limited (ARF), the parent company of American Renewable Fuels, was founded in May 2001 by Amadeus Energy Limited and has been a leader in producing high quality biodiesel and helping to build the renewable fuels industry by commercialising the proven Energea technology. Three plants using the Energea technology are producing biodiesel in the UK and Australia.

ARF has purchased exclusive rights to market and license this process for use in Australia and the United States. ARF is expanding beyond Australia's market in commencing US operational development; the company is also actively considering investments in other countries globally as part of its greater expansion plans. American Renewable Fuels appointed Ross Garrity as CEO of NAFTA region operations November, 2006. American Renewable Fuels' headquarters are in Dallas, Texas.

About Biodiesel:

Biodiesel is a clean burning alternative fuel, produced from domestic, renewable resources such as tallow, palm oil, soybean oil, canola and corn oil. Biodiesel can be used in compression-ignition (diesel) engines with little or no modifications. Biodiesel is biodegradable, nontoxic, and essentially free of sulfur and aromatics. Biodiesel is made through a chemical process involving transesterification (where the glycerin is separated from the fat or vegetable oil) and esterification (converts any free fatty acids in the fat or vegetable oil to biodiesel).

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