Thursday 31 January 2008

ASX Release

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

Dear Sir/Madam,

Appendix 4C for the Quarter ended 31 December 2007

Please find attached Appendix 4C for Australian Renewable Fuels Limited (ASX Code ARW) for the quarter ended 31 December 2007.

It is the intention of the Company to release a comprehensive report of its activities in Australia and its prospects in the United States prior to 22 February 2008.

For further information, please contact:

Australian Renewable Fuels Limited
Max Ger
Chief Financial Officer (Group)
Chief Executive Officer (Australia)
T: 08 9227 7688
E: info@arfuels.com.au

Rule 4.7B

Appendix 4C

Quarterly report

for entities admitted

on the basis of commitments

Name of entity

Australian Renewable Fuels Limited

ABN	Quarter ended ("current quarter")
66 096 782 188	**31 December 2007**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date 6 months $A'000
1.1	Receipts from customers	2,192	4,634
1.2	Payments for (a) staff costs - (Including redundancy payments)	(1,281)	(2,759)
	(b) advertising and promotion	(3)	(6)
	(c) research and development	(139)	(144)
	(d) other operating costs	(2,846)	(7,112)
1.3	Dividends received	-	-
1.4	Interest received	71	74
1.5	Interest and other costs of finance paid	(47)	(71)
1.6	Income taxes paid	-	-
	Net operating cash flows	**(2,053)**	**(5,384)**

		Current quarter $A'000	Year to date 6 months $A'000
1.7	Net operating cash flows (brought forward)	**(2,053)**	**(5,384)**
	Cash flows related to investing activities		
1.8	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) group expansion in NAFTA zone	-	(324)
	(d) intellectual property	-	-
	(e) physical non-current assets	(1,066)	(2,170)
1.9	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	36	36
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
	Net investing cash flows	**(1,030)**	**(2,458)**
1.12	**Total operating and investing cash flows**	**(3,083)**	**(7,842)**
	Cash flows related to financing activities		
1.13	Net proceeds from issues of shares, options, etc.	879	1,499
1.14	Dividends paid	-	-
1.15	Grants received	-	-
	Net financing cash flows	**879**	**1,499**
	Net increase (decrease) in cash held	**(2,204)**	**(6,343)**
1.16	**Cash at beginning of quarter/year**	**742**	**4,881**
1.17	Exchange rate adjustments	**-**	**-**
1.18	**Cash at end of quarter/year**	**(1,462)**	**(1,462)**

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.19	Aggregate amount of payments to the parties included in item 1.2	**131**
1.20	Aggregate amount of loans to the parties included in item 1.11	-
1.21	Explanation necessary for an understanding of the transactions	**N/A**

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	Incorporation of American Renewable Fuels LLC

2.2	Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest:
	Cash investments by outside stockholders in American Renewable Fuels LLC and American Renewable Fuels Inc of A$878,591

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Credit standby arrangements	1,900	1,462
3.2	Bank guarantees provided to third parties	335	335
	Total financing facilities available at end of quarter	**2,235**	**1,797**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		**Current quarter $A'000**	**Previous quarter $A'000**
4.1	Cash on hand and at bank	583	2,283
4.2	Deposits at call	-	-
4.3	Bank overdraft	(845)	(341)
4.4	Other Bank Facilities	(1,200)	(1,200)
	Total: cash at end of quarter (item 1.21)	**(1,462)**	**742**

Acquisitions and disposals of business entities

		Acquisitions ***(Item 1.9(a))***	**Disposals** ***(Item 1.10(a))***
5.1	Name of entity	American Renewable Fuels LLC	Not Applicable
5.2	Place of incorporation or registration	USA	
5.3	Consideration for acquisition or disposal	$1	
5.4	Total net assets	6,552,206	
5.5	Nature of business	Proposed manufacture of biodiesel in USA	

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here .... Date: 31 January 2008
Chief Financial Officer

Print name: Max Louis Ger

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.