

AUSTRALIAN RENEWABLE FUELS LIMITED

ACN 096 782 188

ASX Announcement: **10 November 2016**

ASX Code: **ARW**

ASX Market Announcements Office
ASX Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne VIC 3000

FINALISATION OF PROPOSAL WITH THORNEY GROUP

The Board is pleased to advise that Australian Renewable Fuels Limited (**Company**) has finalised a proposal with Thorney Group in relation to a recapitalisation and repositioning of the Company as an ASX-listed investment entity with a focus on technology investments and other disruptive business models (**Transaction**). The Company will seek shareholder approval for the Transaction at the 2016 AGM.

Annual general meeting

The Company will hold its 2016 AGM at 11:00 am on 9 December 2016.

The Company advises that the venue for the 2016 AGM has changed from Level 23, 459 Collins Street, Melbourne VIC 3000 to:

Arnold Bloch Leibler
Level 21, 333 Collins Street
Melbourne VIC 3000

The Notice of Meeting and accompanying Explanatory Statement (**Meeting Materials**) have been lodged with ASX and despatched to shareholders today. The Company is also in the process of finalising its audited financial accounts for the year ended 30 June 2016 and expects to lodge this with ASX on 11 November 2016.

The Company and the Thorney Group have entered into an Implementation Deed to give effect to the Transaction, which is summarised in **Appendix A** to this announcement.

Transaction highlights

Full details of the Transaction, and the anticipated transaction timetable, are set out in the Meeting Materials. In summary, the Transaction includes:

- A change of the Company's name to Thorney Technologies Ltd.
- A significant change to the nature of the Company's activities to an investment entity focussed on technology investments and other disruptive business models.

- The appointment of Thorney Management Services Pty Ltd as the Company's investment manager.
- A capital raising to raise up to \$50 million, with the ability to accept oversubscriptions of up to \$75m. The capital raising will be conducted pursuant to a prospectus and will comprise a placement to sophisticated and professional investors and a retail offer to the public, with priority allocations to shareholders in the Company and to shareholders in Thorney Opportunities Ltd.
- The acquisition of seed investments from Thorney Group which will allow the Company to start its business with a portfolio of investments. The maximum value of this portfolio will be approximately \$6 million. Thorney Group will be issued shares in the Company as consideration for the sale of the seed investments to the Company.
- Thorney Group intends to invest alongside investors in the capital raising with the intention of holding circa 20% of the issued capital of the Company following completion of the Transaction.
- The Transaction will involve a number of other components, including the Company adopting a new constitution, a consolidation of the Company's share capital and changes to the Company's board.

About Thorney Group

The Thorney Group was founded by its Executive Chairman, Mr Alex Waislitz in 1992. Thorney Group invests across a broad range of asset classes including listed securities and private equities, both in Australia and overseas. The proposed investment manager of the Company, Thorney Management Services Pty Ltd, is also the investment manager of the listed, Thorney Opportunities Ltd (ASX:TOP). Thorney Group has an extensive network relevant to investment opportunities in both Australia and overseas, notably the US and Israel.

The Thorney Group has been a long term shareholder of the Company.

When the Company was placed into Administration in January 2016, the Thorney Group advised the Administrators of the Company that it had been working on plans to establish a listed investment company and decided to pursue a proposal with the Company's creditors in order to end the Administration and for this Transaction to be developed.

The Thorney Group provided funds in order for the Company's creditors to approve the ending of the Administration and has been funding the Company since the Company emerged from Administration on 22 September 2016 with no business or assets.

Shareholder approvals and proxies

Shareholders will also be asked to approve certain aspects of the Transaction.

Full details are set out in the Meeting Materials. The Company has retained PKF Corporate Finance to provide an Independent Expert Report, which is included in the Meeting Materials.

The Company advises that proxy forms can be sent to its share registrar Computershare, using the details set out in the form, or otherwise by hand delivery or post to the Company at Level 39, 55 Collins Street, Melbourne Vic 3000.

Board changes

As part of the Transaction, Mr Alex Waislitz, founder of the Thorney Group and Mr Jeremy Leibler, Partner of Arnold Bloch Leibler, will be appointed as non-executive chairman and non-execute director (respectively) to the Company with effect on the day of the Company's annual general meeting. Mr Martin Casey and Mr Alan Fisher will remain as directors, and Mr Craig Smith will resign as a director following the Company's AGM but will remain as Company Secretary.

Compliance with ASX admission requirements

The Company will re-comply with the requirements of the ASX Listing Rules in order for the Company to be re-admitted on the ASX's official list and for the quotation of the Company's securities on ASX.

For enquiries:

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Appendix A - summary of key terms of Implementation Deed

Parties	• Australian Renewable Fuels Limited • Thorney Holdings Proprietary Limited
General obligations	• The parties must take all necessary action within their power to implement the Transaction on a basis consistent with the Implementation Deed and in accordance with the timetable. All shareholder approvals must be obtained by 28 February 2017, or the Transaction will lapse.
Mutual Termination Rights	• Either party may terminate the Implementation Deed by written notice to the other in the following circumstances: 1.1.1 (material breach): (a) if the other party is in material breach of the Implementation Deed or any law at any time prior to completion of the Transaction; (b) the first party gives the other party a notice setting out the relevant breach and stating an intention to terminate; and (c) to the extent that the breach is capable of remedy, the other party does not remedy the breach within 5 business days after it receives the notice; 1.1.2 (Insolvency) at any time prior to the completion of the Transaction, if an insolvency event occurs in relation to the other party; or 1.1.3 (agreement) if agreed in writing by the Company and Thorney. • In addition, if the shareholder approvals are not obtained, then the Company and Thorney must consult in good faith regarding whether or not to proceed with obtaining the shareholder approvals. If the parties do not reach agreement within 5 business days, then either party may terminate the Implementation Deed.