



# Mission NewEnergy Limited

One Mission : One Energy : NewEnergy

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ASX ANNOUNCEMENT

## Mission NewEnergy Limited Reports Year End Financial Results and Corporate Update

SUBIACO, Western Australia, August 31, 2010 – Mission NewEnergy Limited (ASX:MBT) reported revenue for the fiscal year ended June 30, 2010, of \$16.5 million, compared to \$55.2 million for the prior fiscal year. Net cash used in operating activities was \$6.9 million. The Company reported an EBITDA loss of \$86.2 million, compared to an EBITDA loss of \$12.5 million for fiscal year 2009, resulting primarily from an impairment of assets of \$73 million. The net loss attributable to Mission shareholders for fiscal 2010 was \$93.5 million compared to a net loss of \$23.7 million for the fiscal 2009. As of June 30, 2010, Mission had \$17.2 million in cash and cash equivalents.

The non-cash write-off of Mission's refining assets is based on a requirement under accounting standards, to assess the refining cash generating unit's ability to generate revenue based on current conditions. While Mission has previously announced a sales off-take agreement with Valero which allows for it to supply Valero with 200,000 tonnes per annum (tpa) of biodiesel for five years, with Valero having the option to extend the contract for a further five years and double the volume to 400,000 tpa, under the U.S. Renewable Fuels Standard 2 ("RFS2"), feedstock oils are required to meet certain environmental and green house gas requirements. Palm and Jatropha not yet being approved under RFS2 have impeded Mission's ability to supply Valero with biodiesel under its off-take agreement, and thereby impeding its refineries' ability to generate revenues based on that contract.

Mission believes that Jatropha is an important feedstock in the advancement of next generation biofuels which will enable countries around the world, including the U.S., to reduce its dependence on foreign oil. It is an in-edible perennial oil seed plant that has been shown to grow on marginal soil without displacing agricultural land used for food supply, making it an ecologically responsible source of fuel oil. At present, Mission's available stock of Jatropha currently stands at approximately 177,000 acres.

At the point in which Mission can begin supplying Valero with biodiesel under its off-take agreement, the value of the assets written-off in the most recent financial period can be reinstated to its useful value at that point in time. Mission's plants are in excellent condition and are on full operational standby to produce biodiesel as and when required.

### Key Highlights for FY 2010

- Sales off-take agreement with Valero;
- Commissioning of second 250,000 tpa (approximately 75 million gallons per annum) Axens 2<sup>nd</sup> Generation biodiesel trans-esterification refinery, adjacent to its 100,000 tpa plant in Kuantan Port, Malaysia;

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- Approximately 6,416 acres of Jatropha were planted, bringing effective acreage to more than 177,000, resulting in an expected 170,000 tons per year of crude Jatropha oil and 340,000 tons per year of seed cake;
- Achieved first commercial scale Jatropha crush at a cost of approximately US\$64 per barrel.

Nathan Mahalingam, CEO of Mission NewEnergy, said that “We continue to improve on the underlying fundamentals of our business plan which will enable us to further validate the economics and viability of our goal to become a fully integrated biodiesel company with a sustainable supply of captive feedstock.

We have established a powerful feedstock program managed by our proprietary logistical platform for more than 120,000 farmers in India, enabling them to benefit from planting Jatropha on acreage that would otherwise not be planted, while providing Mission with an extremely low feedstock cost.

We have commissioned our second biodiesel refinery in Malaysia which enables us to produce commercial quantities of fuel. We have secured an off-take agreement with one of the leading U.S. refiners, ethanol producers and retail operators, ensuring demand for up to 60% of our total annual productive capacity. Mission is well-positioned to be one of the largest, low-cost producers of biodiesel in the world, and we will continue to look for opportunities to further differentiate and secure our market advantage.”

**About Mission NewEnergy Limited:**

Mission NewEnergy (ASX:MBT) is a vertically integrated biodiesel firm based in Australia, with operations in India and Malaysia. It owns and operates a 100,000 tpa (approximately 30 million gallons per annum) biodiesel plant in Malaysia, and is currently commissioning a 250,000 tpa (approximately 75 million gpa) biodiesel plant with KNM Process Systems Sdn Bhd as a turnkey contractor adjacent to the 100,000 tpa plant.

For more information and a copy of this announcement, please visit [www.missionnewenergy.com](http://www.missionnewenergy.com) or contact:

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