



## Mission NewEnergy Limited

One Mission : One Energy : NewEnergy

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17 January 2011

Mr Cameron Bill  
Australian Stock Exchange Limited  
By email: [Cameron.bill@asx.com.au](mailto:Cameron.bill@asx.com.au)

Dear Cameron,

### RESPONSE TO QUERY ON APPENDIX 3Y

Further to your letter dated 14 January 2011 we provide the following:

1. The Appendix 3Y lodged with the ASX on 14 January 2011 for Mr. Guy Burnett, a director of Mission NewEnergy Limited (Mission), reflects the issue of shares to him on 12 January 2011 upon conversion of performance rights. The notification pursuant to the Appendix 3Y was within the required time frame set out under ASX Listing rule 3.19A2.

Included in the balance of securities held by Mr. Burnett, as disclosed in the Appendix 3Y, was the total of performance rights which are currently held by Mr. Burnett. The performance rights have various vesting conditions, which, if not met, lapse on certain dates. A certain number of performance rights lapsed on 1 July 2010 and a certain amount vested which were subsequently converted into ordinary shares. An Appendix 3Y was issued in respect to these shares on 13 July 2010, again within the required time frames, however, it appears that the number of performance rights which had lapsed had not been deducted from the total performance rights due to an administrative error.

Please note that in the Company's Annual Report issued to shareholders of the Company, the correct holdings of Mr. Burnett were disclosed including the 300,000 Performance Rights which had lapsed.

2. As set out in Missions Securities Trading Policy lodged with the ASX on 24 December 2010, Mission has detailed procedures in respect to directors trading in securities and notifying trades to the Company. Specifically, Item 6.1 of the Securities Trading Policy requires Directors and Executives to Notify the Chairman and Managing Director (who will notify the Company Secretary) in writing of any dealings in securities.
3. The Company considers that its current arrangements are adequate and will continue to ensure all policies in this regard are strictly monitored and adhered to.

Yours faithfully

**Guy Burnett**  
Company Secretary

For personal use only



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14 January 2011

Mr Guy Burnett  
Mission NewEnergy Limited  
Unit B9 431 Roberts Road  
SUBIACO WA 6008

By email: [guy@missionnewenergy.com](mailto:guy@missionnewenergy.com)

Dear Guy

**Mission NewEnergy Limited (the "Company") Appendix 3Y – Change of Director's Interest Notice**

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX today for you.
2. Listing rule 3.19A which requires an entity to tell ASX the following:
  - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
    - On the date that the entity is admitted to the official list.
    - On the date that a director is appointed.The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
  - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
  - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3Y indicated that a change in your notifiable interest occurred on 1 July 2010, it appears that the Appendix 3Y should have been lodged with ASX by 8 July 2010. As the Appendix 3Y was lodged on 14 January 2011, it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears you may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

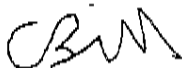
1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.D.T.) on Wednesday, 19 January 2011.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,



Cameron Bill  
**Adviser, Listings (Perth)**