

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Mission NewEnergy Limited (the "Company")

ABN

63 117 065 719

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | Warrants   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 149,990,000  |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>The First Warrant entitles Valero to subscribe for up to 81,410,000 ordinary fully paid shares. The exercise price of the First Warrant is A\$0.45 per Share. The First Warrant may be exercised at any one time before it expires on 31 August 2010.</p> <p>The Second Warrant entitles Valero to subscribe for up to 68,580,000 ordinary fully paid shares. The Second Warrant may only be exercised by Valero on a "Trigger Date" if the First Warrant has been fully exercised. A 'Trigger Date' is 28 February 2010 and 31 August each year until expiration of the Second Warrant on 30 September 2012. The exercise price of the Second Warrant is the price equal to the preceding 20-day volume weighted average price of Shares multiplied by 0.8 on the relevant Trigger Date.</p> |

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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>No - will rank equally upon exercise into Fully Paid Ordinary Shares</p>										
<p>5 Issue price or consideration</p>	<p>Nil</p>										
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ul style="list-style-type: none"> <li>• continue Mission's business operations as it is in the growth phase;</li> <li>• Further expand the Jatropha plantation operations;</li> <li>• Maintain and continue existing refining operations; and</li> <li>• Provide additional working capital</li> </ul>										
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>16 July 2010</p>										
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="695 1234 935 1272">Number</th> <th data-bbox="935 1234 1307 1272">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1272 935 1429">275,007,568</td> <td data-bbox="935 1272 1307 1429">Ordinary (MBT)</td> </tr> <tr> <th data-bbox="695 1429 935 1467">Number</th> <th data-bbox="935 1429 1307 1467">+Class</th> </tr> <tr> <td data-bbox="695 1467 935 1675">46,778,845</td> <td data-bbox="935 1467 1307 1675">Convertible Notes which are convertible to 46,778,845 Fully Paid Ordinary Shares subject to adjustments in accordance with the Terms and Conditions of the Notes.</td> </tr> <tr> <td data-bbox="695 1675 935 2172">99,747,586</td> <td data-bbox="935 1675 1307 2172">Warrants Exercise price A\$0.30, expiry date 1 May 2014. If at any time on or after April 15, 2012 the immediately preceding 20 trading day volume weighted average price (as published by or derived from ASX) is at least A\$1.00, the Company may give written notice to each warrant holder that if such holder does not exercise its Warrants within 15 days from the date of such notice, then the Warrants would expire on that 15<sup>th</sup> day.</td> </tr> </tbody> </table>	Number	+Class	275,007,568	Ordinary (MBT)	Number	+Class	46,778,845	Convertible Notes which are convertible to 46,778,845 Fully Paid Ordinary Shares subject to adjustments in accordance with the Terms and Conditions of the Notes.	99,747,586	Warrants Exercise price A\$0.30, expiry date 1 May 2014. If at any time on or after April 15, 2012 the immediately preceding 20 trading day volume weighted average price (as published by or derived from ASX) is at least A\$1.00, the Company may give written notice to each warrant holder that if such holder does not exercise its Warrants within 15 days from the date of such notice, then the Warrants would expire on that 15 <sup>th</sup> day.
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8	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	50,000,000	<p>28 April 2014 Warrants</p> <p>Exercise price of \$0.30 cents.</p> <p>If at any time on or after 15 April 2012 the immediately preceding 20 trading day volume weighted average price (VWAP) is at least at A\$1.00, the Company may give written notice to each Warrant holder that if such holder does not exercise its Warrants within 15 days from that date of such notice, then the Warrants would expire on that 15<sup>th</sup> day.</p>
		81,410,000	<p>31 August 2010 Warrants</p> <p>Exercise price A\$0.45cents</p> <p>Fully paid ordinary shares of the company by way of an issue of those shares for cash at a price of A\$0.45 per share. Expiry of the warrant is 31 August 2010.</p>
		68,580,000	<p>30 September 2012 Warrants</p> <p>Fully paid ordinary shares of the Company by the way of an issue of those shares for cash at a price equal to the immediately preceding 20-day trading volume weighted average price (as published by or derived from the Australian Securities Exchange (“ASX”) multiplied by 0.8 (“the Exercise Price”). Expiry of the warrant is 30 September 2012.</p>
		3,680,001	<p>Performance Rights</p> <p>Vesting conditions attached to each of the performance rights are as follows;</p> <p>i) 40% of total, vesting in equal tranches at 31/12/09, 30/6/10 and 31/12/10 for service, and</p> <p>ii) 60% of total, vesting in equal tranches on:</p> <p>(1) Positive Group cash generation from operations by 30 June 2010</p> <p>(2) EPS at A\$0.06 by 30 June 2011 and;</p> <p>(3) EPS of A\$0.15 by 30 June 2012</p>
		3,500,000	<p>30 June 2011 \$0.17c Options</p>
		15,000,000	<p>Performance Rights</p> <p>Vesting conditions attached to each of the performance rights are as follows;</p> <p>i) 5,000,000 of total vesting in equal tranches as 01/07/10, 01/01/10 and 01/07/11</p>
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

+ See chapter 19 for defined terms.

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a) Securities described in Part 1 (ordinary shares only)

(b) N/A All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by

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+ See chapter 19 for defined terms.

those holders

- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought 

N/A
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39 Class of +securities for which quotation is sought 

N/A
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40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?  
  
If the additional securities do not rank equally, please state:  

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A
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41 Reason for request for quotation now  
  
Example: In the case of restricted securities, end of restriction period  
  
(if issued upon conversion of another security, clearly identify that other security)  

N/A
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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	N/A	N/A

### Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company secretary)

Date: 16 July 2010

Print name:

Peter Torre

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