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29 January 2010

## **ASX ANNOUNCEMENT**

Mission NewEnergy Limited (ASX:MBT) is pleased to provide below its Appendix 4C – 31<sup>st</sup> December 2009 Quarterly Cash flow results.

As at 31 December 2009, the closing cash position of the group was A\$15.9 million. This cash position does not take into account A\$5.5 million of receivables in the refining business which has been subsequently received in January 2010.

The refining business has significant up front working capital requirements, in particular for the cash purchase of crude palm oil, being the primary raw material used in the production of biodiesel. Mission achieved a sales turnover in December 2009 amounting to A\$5.5 million, and had already incurred the majority of the operating cash outflows to produce the cargo. The cash proceeds from this sale were banked only in early January 2010. The group operating cash usage of A\$6.2 million for the six months to December 2009 reflects the up-front working capital intensive nature of the business.

Mission continues to manage its cash resources tightly with steady improvements in operating cash usage.

Announcement ends

### **About Mission NewEnergy Limited:**

Mission NewEnergy Limited is a company:

- listed on the ASX with its operations in Malaysia and India;
- that owns and operates a 100,000 tpa (approx. 30 million gallons p.a.) biodiesel plant at Kuantan in Malaysia producing biodiesel that exceeds international specifications (EN14214 & ASTM 6751-D);
- that is the only non-German biodiesel producer to be certified by AGQM, the German Biodiesel production process certification body

- that is currently commissioning a 250,000 tpa (approx. 75 million gallons p.a.) biodiesel plant with KNM Process Systems SdnBhd as a turnkey contractor using Axens' 2<sup>nd</sup> generation, heterogenous catalyst, trans-esterification technology and adjacent to the 100,000 tpa plant;
- that will initially use Crude Palm Oil (CPO) as the feedstock for its biodiesel plants in Malaysia;
- that is rapidly developing its upstream feedstock business in India, which is focusing on a drought-resistant perennial plant (Jatropha Curcas) that grows in marginal/poor soil. Jatropha is easy to establish, grows quickly, produces seeds for over 40 years and importantly is inedible; and
- that will ultimately replace CPO with Jatropha Oil as its feedstock for its biodiesel plants.
- that owns and operates two wind energy turbines of 1.65 MW each in India which sell electricity to a Western Indian utility under a 13 year power purchase agreement.
- that owns two patent-pending, lab and pilot-tested technologies for production of ethanol from a wide variety of agricultural waste material at a cost substantial lower than reported by competing enzyme based cellulosic ethanol technologies.

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

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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Mission New Energy Limited

ABN

63 117 065 719

Quarter ended ("current quarter")

31 December 2009

### 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	1,041	10,514
1.2 Payments for		
(a) staff costs	(1,484)	(2,594)
(b) advertising and marketing	(1)	(3)
(c) research and development	(29)	(59)
(d) leased assets	(58)	(119)
(e) other working capital	(5,511)	(12,840)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	52
1.5 Interest and other costs of finance paid	(1,087)	(1,202)
1.6 Income taxes paid	(5)	(18)
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(7,117)</b>	<b>(6,269)</b>

+ See chapter 19 for defined terms.

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**Quarterly report for entities**  
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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(7,117)</b>	<b>(6,269)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(1,001)	(6,411)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	15	15
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	1,103	1,103
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (net proceeds from sale of investments in mutual funds and deposits placed as security for performance bonds)	-	-
	117	(5,293)
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	<b>(7,000)</b>	<b>(11,562)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	7,717	7,717
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	4,676
1.18 Repayment of borrowings	(137)	(284)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	<b>7,580</b>	<b>12,109</b>
<b>Net increase (decrease) in cash held</b>	<b>580</b>	<b>547</b>
1.21 Cash at beginning of quarter/year to date	15,752	16,247
1.22 Exchange rate adjustments to item 1.20	(416)	(878)
1.23 <b>Cash at end of quarter</b>	<b>15,916</b>	<b>15,916</b>

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

		Current quarter \$A'000
	Wages	209
	Consulting fee	Nil

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

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	Nil
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil

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1.26 Explanation necessary for an understanding of the transactions

**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

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

**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	Loan facilities	22,784**	8,361
3.2	Credit standby arrangements	0	0

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\*\*The loan facilities above include an approved and signed US\$17 million term loan which has been arranged to finance the remainder of the Groups 2nd Bio Diesel plant capital expenditure commitments. This loan has been partially drawn down.

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**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	15,739	10,598
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (Short-term deposit and security deposits)	177	5,154
<b>Total: cash at end of quarter</b> (item 1.23)		15,916	15,752

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

**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 /does not\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: ..... Date: ...29 January 2010.....  
 (Director/Company secretary)

Print name: Peter Torre.....

**Notes**

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+ See chapter 19 for defined terms.

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* applies 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.

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