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16 June 2009 ASX ANNOUNCEMENT

## Second Biodiesel Refinery Being Commissioned

**Mission NewEnergy Limited (ASX:MBT)** has commenced commissioning of its second biodiesel refinery, which is now mechanically complete.

The commissioning process involves the running of the plant with actual raw materials in order to ensure on-specification production of biodiesel. Axens, the technology provider of Mission's second Biodiesel refinery guarantees the on-specification production of biodiesel.

Under the terms of the EPCC contract with KNM Group Berhad, the plant is required to run continuously for a period of 2 days during which performance of the plant will be tested. In order to supply necessary input materials (e.g. crude palm oil), Mission has successfully negotiated a commissioning assistance contract with the Turn Key Contractor KNM Group Berhad.

Under the terms of the agreement in consideration for supplying raw materials pursuant to commissioning of the plant, which was previously the obligation of Mission, the company has agreed to extent the completion period to 31 July 2009, thus waiving any currently accrued liquidated damages (note LD's will accrue should the commissioning process go beyond 31 July 2009) and Mission will also work with KNM exclusively for O&M and EPCC services in the future on mutually agreeable terms.

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 building a 250,000 tpa (approx. 75 million gallons p.a.) biodiesel plant using Axens' 2<sup>nd</sup> generation, heterogenous catalyst, transesterification 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;
- 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; and
- 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. or contact:

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