



NATIONAL BIODIESEL'S SOYDIESEL QUARTERLY

National Biodiesel leads the way on OHS education

National Biodiesel has developed an OHS and training pack for the use of biodiesel that it is offering to its customers.

The initiative will assist customers store, handle and transport Soy biodiesel and blends.

One of the advantages of Soy biodiesel over petroleum diesel is that it is safer to use as it is biodegradable, non-toxic and has a much higher flash point. The OHS training pack will ensure that customers can realize the full benefits of using the fuel. For more info contact sales@natbiodiesel.com

This Issue:

From the Chairman: Mr. Edward Dutton	1
Customer in focus: Hornby Transport	1
Powertorque 2010	2
Robson and Xstrata reduce emissions	2
Alcoa trial Soy biodiesel	3
Meet the team: QLD State Manager, Bernie Ford	3
Bluescope Steel sees the benefits of Soy biodiesel®	4

CHAIRMAN'S REPORT- EXCISE CERTAINTY GOOD NEWS FOR BIODIESEL

It is my pleasure to report on a successful first half of 2010. We continue to grow expanding our distribution throughout NSW, QLD, Vic and ACT. We have also seen rapid growth in demand from the mining industry for our products which has led to us expanding our team to better serve our customers needs.

We have also had confirmation

from the Australian Government in March that the fuel excise rebates for biodiesel manufacturers announced by the previous government would remain in place. The announcement also locked in the advantage for biodiesel relative to other alternative fuels. For more information on the announcement please see our website www.natbiodiesel.com



Mr. Edward Dutton, Chairman National Biodiesel.

CUSTOMER IN FOCUS: HORNBY TRANSPORT

It's been over 35 years since Bob Hornby started Hornby Transport and the Unanderra-based company has benefited from switching to Soydiesel in its fleet for its environmental sustainability benefits.

"The aim with anything we do is to be totally professional" said Adam Hornby. "The fleet comprises 29 prime movers and approximately 55 trailers. The fleet operates mainly between the shipping hub of Port Kembla with the northern run usually centred on Newcastle.

Three years ago Adam Hornby decided to trial the use of biodiesel in the fleet and the move proved so successful that today the fleet runs totally on B20 biodiesel. The B20 Soydiesel® biofuel used in the fleet is supplied by National Biodiesel Ltd. Manufactured from soy bean oil



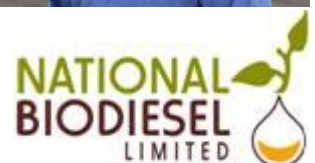
the fuel is stored in bulk on the company premises.

According to company records there is little distinguishing difference between fuel economy for vehicles running today on B20 Soydiesel® compared to previous records showing conventional distillate use.

"We have recently been presented with a certificate by National Biodiesel recognizing our CO2 reductions of 66.54 tonnes within the six month period of June to December 2009," said Adam. "This sort of credible advantage certainly assists us when we present our business to new and existing

customers," he added.

"I believe in the early days of fleets trialling bio-diesel there were problems with fuel quality and certainly many of the fuels available did not meet strict quality control criteria. That's certainly not the case today and we never have quality concerns. Our fleet is 100 per cent running on Soy biodiesel B20 and as a result we have significantly reduced our carbon footprint. This is of interest to our customers," said Adam (pictured below).



NATIONAL BIO-DIESEL TEAM PRESENTS AT POWER-TORQUE 2010

In May the National Biodiesel sales team delivered a presentation to 80 OEM executives ranging from Prime Movers to Small Eco Cars at this years Powertorque conference.

The presentation focused on the importance of fuel quality; current biodiesel standards and legislation; engine manufacturer warranties; and the BQ-9000 quality assurance accreditation system.

Sales Manager, Ray Adams (pictured below) gave the audience a case study on the success of Hornby Transport Services and the uptake of Soybiodiesel in their fleet.

An article on National Biodiesel and on the experiences of Hornby Transport and the uptake of Soybiodiesel in their fleet is in the March/April issue of Powertorque magazine. For a copy of the articles please email sales@natbiodiesel.com

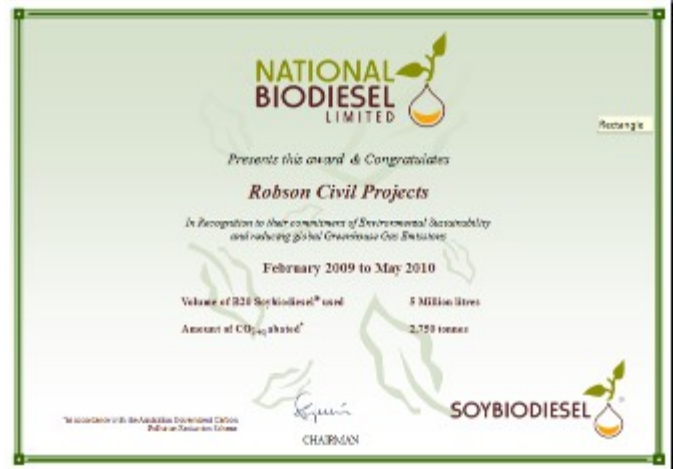


ROBSON AND XSTRATA REDUCE EMISSIONS WITH SOYBIODIESEL

Robson Civil Projects is a privately owned business that has been in operation for more than 50 years. In recent years Robson has emerged as one of the leading civil construction companies on the east coast of Australia, having developed partnerships with a number of major clients and engineering consultancy firms to deliver large, complex civil projects in the mining, rail and commercial sectors.

One of the multinational companies that Robson has partnered with is Swiss mining giant Xstrata, where at their Mangoola mine site near Muswellbrook they operate their fleet on B20 Soydiesel (pictured below).

Robson switched to Soybiodiesel in 2008 and are now a major user and realizing substantial greenhouse gas reductions. By May this year



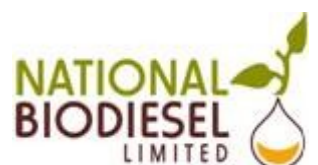
Robsons had consumed over 5 million litres of B20 which has abated over 2,700 tonnes of CO₂. This is recognized by National Biodiesel with an emissions reduction certificate (pictured above) and plays an important part of the company's environmental strategy. Prospective clients, whether they be government or companies, seek the contribution they are making to carbon

reduction, a key aspect of tendering for contracts.

While carbon emission abatement is a high priority for some vehicle and plant operators, it is an absolute imperative for some companies such as Xstrata. By using the B20 blend on site the total emissions from the mine can be reduced. In turn this contributes to the wider carbon strategy of the company.



The use of the clean, safe and consistently high-quality Soybiodiesel fits perfectly with Robson's safety, environment and quality systems, that are certified to AS 4801, 14001 and 9001. With front line operations including over 200 employees and 130 items of late model, leading technology, plant and vehicles it is absolutely critical that their fuel supply is a premium quality product such as Soybiodiesel.



CUSTOMER IN FOCUS:ALCOA B20 SOYBIODIESEL® TRIAL-ANGLESEA POWER STATION

Mining giant Alcoa has embarked upon a 5 month trial of B20 Soydiesel® at their Anglesea power station in Victoria.

The blend of 20 per cent Soy-biodiesel will be supplied under contract from the National Biodiesel Melbourne depot.

Alcoa report that National Biodiesel were successful in their tender for the fuel supply due the benefits of Soybio-diesel's low CFPP; the consistency of product quality that comes with using a superior

and consistent feedstock such as soy oil and the BQ-9000 quality assurance accreditation.

The Anglesea Power Station (pictured opposite) now supplies more than 40 per cent of the power required by Alcoa's Point Henry aluminium smelter through a 45km high voltage power line connecting the Point Henry and Anglesea sites.



MEET THE TEAM: QLD STATE MANAGER MR BERNIE FORD

Bernie Ford has joined National Biodiesel as the QLD State Manager. He brings extensive experience within the petroleum industry and biofuel industry with sales and business development experience with both Freedom Fuels and a Shell Australia Distributor.

Bernie's most recent employment has been predominantly within the mining sector a strong network of clients and contacts within multinational and Australian based mining houses and contractors, he also has extensive relationships within the transport, commercial, government and agribusiness sectors.

A large component of Bernie's work within the mining industry has been the implementation and assessment of biofuels and biodiesel trials within high horsepower engines with a great deal of success.

Mr Ford has been involved in key account management for over 15 years managing the requirements of several multi-national manufacturing and mining companies. His focus on Biodiesel sales over the last four years with a hands-on approach across all aspects of business management, from technical to fleet management will assist National Biodiesel's customers in ensuring a smooth and unproblematic transition to using biodiesel in their fuel

mix.

Bernie has a proven track record in developing strong relationships through exceeding client expectations. His extensive knowledge of the Australasian mining sector will be invaluable to National Biodiesel Limited as it customer base in the mining industry expands.

To contact Bernie Ford

Email: b.ford@natbiogroup.com

Phone: 0451 374 031



Mr Bernie Ford, new QLD State Manager brings extensive biofuel and conventional fuels industry experience to the National Biodiesel team.

BLUESCOPE STEEL SEES THE BENEFITS OF SOYBIODIESEL®

Bluescope have taken the first step towards lowering their vehicle carbon emissions through substitution of biodiesel in their fleet by trialling the 100 per cent B100 Soybiodiesel® in a forklift at their export precinct warehouse in Port Kembla (pictured right). Bluescope said, "Whilst other blends of diesel and Soydiesel® are available, such as B20, B100 will achieve the most beneficial environmental impact".

The Bluescope Port Kembla facility is only a 'stone's throw away' from National Biodiesel's Port Kembla soybean processing and biodiesel manufacturing facility that is currently under development. Bluescope said, "That means shorter trucking movements as compared to getting fuel from Sydney".

Some of the benefits Bluescope point to as reasons for their use of Soybiodiesel® include:

- Major reduction in greenhouse gases
- Positively contributes to the human food chain (4:1 food to fuel Ratio)
- Sustainability compared to other biofuels
- Non-toxic, biodegradable and odourless
- High consistent quality (as compared to tallow for example)
- BQ 9000 accredited.

Following the trial Bluescope have said that they will look at other mobile equipment such as straddle carriers, larger forklifts, trucks and possibly the Iron Monarch.

The move to Soybiodiesel® is a part of Bluescope's Environmental, Health and Safety policy. They state that wherever Bluescope operate, they develop, implement and maintain management systems for health, safety, environment and the community that are consistent with internationally recognised standards.

Specifically relating to air emissions they aim to "reduce air emissions and improving air quality in the communities in which they operate".



WWW.NATBIODIESEL.COM.AU



**Clean
renewable
sustainable fuel**

National Biodiesel is the only supplier of premium quality Soybiodiesel sourced exclusively from BQ-9000 certified producers. We specialize in the wholesale supply of Soybiodiesel® to Mining - large scale, Civil construction, Road Haulage & Transport, Agriculture & Farming and Marine.

The supply of Soybiodiesel to the NSW, QLD, VIC and ACT markets is in advance of the commissioning of our Soybean Processing and Biodiesel Manufacturing Facility in Port Kembla, NSW, which will produce Soybiodiesel® and soybean meal for Australian and international markets.

16/33 Ryde Rd
Pymble NSW 2073
PO Box 524
Pymble NSW 2073

Phone: 02 9499 8291
Fax: 02 9499 8295
E-mail: shareholders@natbiogroup.com

