



# AGRI ENERGY LIMITED

31 August 2008

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY NSW 2001

Dear Sir(s),

## **Agri Energy Limited Corporate Update and Preliminary Financial Report 2008 Unaudited**

Agri Energy Limited (AAE) advises that the Company has entered into an agreement with an investor for a capital injection of US\$30 million into the Group. The funds are required to meet corporate and creditor commitments, to finance the start-up of the Beatrice Biodiesel Project and provide working capital. Once completed, this will enable Agri Energy Limited to progress the lifting of the suspension of trading of the Company's securities on the Australian Stock Exchange put in place earlier this year.

The initial two payments under the capital injection agreement have been received and support the corporate costs to progress finalizing the transaction and project operating costs at Beatrice.

Concurrent with the capital injection agreement, Agri Energy Limited's wholly owned subsidiary, Beatrice Biodiesel, LLC, the owner of the Beatrice Biodiesel Project filed for Chapter 11 bankruptcy protection on Thursday 21 August 2008, in the United States Bankruptcy Court for the District of Nebraska. The filing was deemed necessary to afford the Company time to complete the Agri Energy Limited capital injection and protect the Company and all stakeholders' interests while creditor agreements are put in place. The Company is required to file a creditor payment plan and project start up plan with the courts over the coming weeks in line with the drawdown schedule under the capital injection agreement.

As part of the capital injection agreement, the Company will be required to call a shareholder meeting to consider all aspects of the transaction including approval of the capital injection.

Once completed, the capital injection will provide the Company with the pathway to realise the potential of the Beatrice Biodiesel Project. The Chapter 11 process gives the Group the stability and time to develop and agree a plan with both the Investor and the United States creditors for meeting claims, recapitalising the business and realizing cashflow from the operations.

For personal use only



The Company anticipates being in a position to update the market in a more comprehensive manner within the next month, both in terms of details of the transaction and the plan for progressing start up of the project.

The Group Appendix 4E containing the Financial Report (unaudited) for the year ending 30 June 2008 is attached.

Yours faithfully

Peter Anderton  
**Chairman and Chief Executive Officer**

ASX Trading Code **AAE**

ADR Ticker Symbol **AGRNY**

For further information, please contact:

Peter Anderton  
Agri Energy Limited  
Tel: +61 3 8825 5900  
Mob +61 (0) 418 922 119  
Email: [panderton@ael.net](mailto:panderton@ael.net)

Jacinda Kettmann  
Agri Energy Limited  
Tel: +61 3 8825 5900  
Mob +61 (0) 417 924 773  
Email: [jkettmann@ael.net](mailto:jkettmann@ael.net)

For more information visit the AAE website at [www.ael.net](http://www.ael.net)

For personal use only



**AGRI ENERGY**  
LIMITED

**PRELIMINARY FINAL REPORT 2008**

**Appendix 4E**

**Results for announcement to the market – UNAUDITED**

<b>Financial Results</b>				<b>Year Ended 30 June 2008</b>
				<b>\$'000</b>
Revenue and financial income	decreased	34	% to	1,155
Profit (loss) from ordinary activities after tax attributable to members	decreased	69	% to	(24,342)
Net Profit (loss) for the period attributable to members	decreased	69	% to	(24,342)

<b>Dividends</b>	
The company will not be declaring a dividend in respect of the results for the year ended 30 June 2008.	
Record date for determining entitlements to the dividends	n/a

<b>Net Tangible Asset Backing</b>	<b>30-Jun-08</b>	<b>30-Jun-07</b>
Net Tangible Asset backing per ordinary security	35.6 cents	19.4 cents

For personal use only

## Review of Operations

### OVERVIEW

The business of Agri Energy Limited (ABN 83 061 375 442) is the development and operations of global biofuels opportunities.

During the 2007/2008 financial year the business and the global biofuels industry experienced a severe downturn as a result of feedstock prices reaching all time high levels. This caused biofuels operating margins to contract dramatically despite energy prices similarly attaining record levels. In line with most industry participants, AAE experienced a downturn in the Group's activities and financial performance.

The principal activity for the financial year was completing construction of the Beatrice Biodiesel Project in Nebraska. Substantial effort has been dedicated to raise further capital or debt into the Group to enable mechanical completion and start up of the Project, together with management of corporate and project creditors. Restructuring of the Group's operations has occurred to reduce costs and out goings.

During the year, the following key events impacted the Group:

1. Significant delays and cost overruns in the completion of construction of the Beatrice Biodiesel Project.
2. Sale of the Group's major assets in Australia comprising the Swan Hill Ethanol Project assets.
3. Sale of the Hungarian business comprising the Hódmezovásárhely Renewable Energy Project,
4. Extensive reduction in management and staff numbers.
5. Deterioration in the share price of the Company and tightening financial markets globally making the raising of further capital to support the operations extremely difficult
6. Suspension of the Company's securities from trading on the Australian Stock Exchange in February 2008.

The poor performance of the global biofuels industry and the resulting negative sentiment together with the political issues associated with the "food vs fuel" debate resulted in the sector losing favour with the investor market. This combined with the delays and cost overruns at the Beatrice Biodiesel Project have made it very difficult for the Company to raise the necessary funding to support its operations.

### UNITED STATES

The Delaware Corporation, US Canadian Biofuels Inc ("USCB") is a wholly owned subsidiary of AAE established to develop and own biofuels project assets in the United States, as follows:

#### **Beatrice Biodiesel LLC ("BBL")**

BBL is a Nebraska Limited Liability Company and a wholly owned subsidiary of USCB. BBL owns 100% of the Beatrice Biodiesel Project. The Beatrice Biodiesel Project is a state of the art, second generation solid catalyst biodiesel manufacturing facility, with nameplate capacity of 50mgpy of biodiesel. The technology supplier, Axens Technology, has guaranteed that on completion of start up the biodiesel product will meet the United States fuel specification ASTM 6751.

Developing the Beatrice Biodiesel Project has been the primary focus of the Group in the 2007/08 financial year.

The Project attained construction completion in the first quarter of calendar year 2008. Completed costs were over budget principally due to significant project delays in the delivery of critical equipment particularly the major reactor vessels, together with rectification of engineering errors, harsh winter weather conditions, and the difficulties in procuring additional capital injection into the group to fund the start up of the project.

With financial support provided by the senior lender, AgStar Financial Services, in the form of a Protective Advance, the facility has attained mechanical completion and is in a position to commence the start up and commissioning phase.

A start up and commissioning program has been developed for the facility, and start up is subject to successful recapitalisation of the Group to provide funds to run the commissioning program and bring feedstock onto site.

#### **Beatrice Ethanol LLC (“BEL”)**

BEL, a Nebraska Limited Liability Company, is a wholly owned subsidiary of USCB which holds the Beatrice Ethanol Project. The Beatrice Ethanol Project is a proposed 55mgpy ethanol facility to be co-located adjacent to the Beatrice Biodiesel Project on land owned by BEL.

The Beatrice Ethanol project has environmental approval to commence construction. Basic engineering for the facility has been progressed. The project has been put on hold given the focus of the company on the Beatrice Biodiesel Project.

#### **Beatrice Soy Crushing Facility**

The Company is assessing the development of an Oilseed Crushing Facility to be co-located adjacent to the Beatrice Biodiesel Project. The Crushing Facility would supply soy oil feedstock to the Beatrice Biodiesel project with the co-products from the crushing process feeding a biomass steam and electrical power generation facility. This would enable the Crushing Facility to also supply electricity and steam to Beatrice Biodiesel enabling substantial cost economies.

A decision to proceed with comprehensive feasibility studies and a feedstock assessment is on hold pending the successful start up of Beatrice Biodiesel and other corporate priorities.

### **AUSTRALIA**

#### **Australian Biofuels Pty Ltd (“ABF”)**

Australian Biofuels Pty Ltd (“ABF”) is a wholly owned subsidiary of AAE established to develop, acquire and operate biofuels assets in Australia. ABF progressed development in Australia as follows:

#### **Swan Hill Ethanol**

Swan Hill Ethanol Pty Ltd (“SHEPL”), a wholly owned subsidiary of ABF, had plans to develop the Swan Hill Ethanol Project near Swan Hill in North Eastern Victoria. The Swan Hill Ethanol Project was planned as a 100 Mlpy ethanol production facility designed to produce ethanol fuel from cereal grain feedstocks including barley, corn and wheat.

During 2007 efforts were undertaken to progress detailed design and engineering for the project, investigate alternative energy sources to reduce energy costs, and to secure an offtake agreement for the ethanol produced at the facility.

In September 2007 a decision was made by the Group to halt development activities for ethanol projects in the context of adverse commercial and regulatory conditions in Australia.

These included the inability to secure an appropriate product offtake agreement, soaring grain prices, and insufficient industry and regulatory support.

Accordingly in December 2007, AAE sold the assets of SHEPL to an investment group, including the intellectual property and land associated with the Swan Hill Ethanol Project. The sale included a buyback option which can be exercised within 12 months of the sale. No other activity has occurred in SHEPL since the asset sale.

#### **Development Projects in NSW, VIC and WA**

During 2007, ABF progressed development work for an additional 5 ethanol projects earmarked for Condobolin, Oaklands and Coleambally in New South Wales, Murtoa in Victoria, and Irwin in Western Australia. Permits to develop the projects are at various stages of the approval process.

Pursuant to the sale of the assets in SHEPL and strategic decision to pull back activity to develop ethanol assets in Australia, the permitting processes for projects in NSW, VIC and WA have been put on hold.

#### **CENTRAL EUROPE**

##### **Central European Biofuels Pty Ltd ("CEB")**

Central European Biofuels Pty Ltd ("CEB") is an Australian company and wholly owned subsidiary of AAE established to develop and own biofuels project assets in Europe.

CEB is the owner of Central European Biofuels Kft ("CEBK"), a Hungarian company established to consolidate ownership of the Group's European development projects into a single European entity.

CEBK owns two project companies: Central EU Biofuels Hungary Kft ("CEBH"), and Central EU Biofuels Austria GmbH ("CEBA"). Activities under each project company progressed in 2007/08 as follows:

##### **Central EU Biofuels Hungary Kft ("CEBH")**

CEBH is a Hungarian company and wholly owned subsidiary of CEBK. CEBH owns the Hódmezővásárhely Renewable Energy Project, planned for development in Hódmezővásárhely, Southern Hungary. The Project comprises: a 500,000 tpa oilseed crushing plant capable of producing 200,000 tpa of high quality food grade oilseed from sunflower seed, rapeseed and soy bean; a 200,000 tpa multi-feedstock biodiesel production plant using Axens second generation catalyst technology; and a 30MW biomass green power generation plant. CEBH owns land in Hódmezővásárhely situated approximately 180kms to the south east of Budapest on which the Renewable Energy Complex is to be developed.

During the year the Group invested funds in the permitting and engineering design work in the HOD crushing plant. Ultimately in the Company was not in a position to support the operation and accepted an offer from an investment group to acquire the shares in CEBH in exchange for the extinguishment of all commitments and liabilities in the Company. The transaction was completed on this basis on 18 June 2008.

##### **Central EU Biofuels Austria GmbH ("CEBA")**

CEBA is an Austrian company and wholly owned subsidiary of CEBK. Agreements were put in place for AAE to acquire CEBA in late 2006. The sale was completed in August 2007. CEBA owns 100% of the Ennsdorf Biodiesel Project, a proposed 95,000 tpa multi-feedstock biodiesel plant to be located in the town of Ennsdorf approximately 150kms west of Vienna.

Concurrent with the 2007 downturn in the global biofuels industry and tightening international financial markets, the decision was made to put development of the Ennsdorf Biodiesel Project on hold. The Company is pursuing avenues to sell the assets back to the original vendors in return for extinguishing all outstanding commitments and liabilities.

### OPERATING RESULTS

The Group reported a net loss after tax of \$24.3m. Of this \$12.3m is in relation to the write off associated with the sale of the European and Australian biofuels projects for a consideration less than the carrying costs. This also includes an unrealised foreign exchange loss of \$3.5m representing translation of funding (inter-company loan funds) contributed to the Beatrice Project which has impacted the overall result.

\$0.55m of the Beatrice Biodiesel Project costs were expensed which included rail car leases and other operating leases.

Revenue from the sale of goods reflects the gain on the sale of soy bean oil originally purchased for inventory and the close out of a forward contract to buy soy bean oil.

The increased in Other Income reflects the non refundable deposit received of US\$1.0m from Beatrice Biodiesel Acquisition Company LLC early in 2008 toward the planned sale of the Beatrice Project which was not eventually completed.

### FINANCIAL STATEMENTS

Unaudited financial statements are included as part of this report.

### SUBSEQUENT EVENTS

- 1) The Company has entered into an agreement with an investor for a capital injection of US\$30m. The funds are required to meet corporate and creditor commitments, to finance the start up of the Beatrice Biodiesel Project and provide working capital.
- 2) On 21 August 2008, Beatrice Biodiesel LLC, a wholly owned subsidiary, filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the District of Nebraska. The filing was deemed necessary to afford the Company time to complete the financing transaction, to protect the Company and all stakeholders' interests and to forestall the appointment of a receiver over the Beatrice Biodiesel project.

**COMPLIANCE STATEMENT**

1. This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 2001 and standards acceptable to the ASX.
2. This report and the accounts upon which the report is based have used accounting policies consistent with the previous period.
3. This report does give a true and fair view of the matters disclosed.
4. This report is based on accounts which are yet to be audited.
5. The annual report will be distributed to shareholders once finalised.



---

Peter Anderton  
Chairman & Chief Executive Officer

31 August 2008

For personal use only



**AGRI ENERGY LIMITED AND CONTROLLED ENTITIES**  
**INCOME STATEMENTS**  
For the Financial Year Ended 30 June 2008

	Note	Consolidated		Company	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Revenue from sale of goods	1	755	-	-	-
Cost of sales		(52)		-	
<b>Gross Profit</b>		<b>703</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other income	2	2,627	448	2,287	956
<b>Total revenue</b>		<b>3,330</b>	<b>448</b>	<b>2,287</b>	<b>956</b>
Administration	3	(9,803)	(3,963)	(2,609)	(3,013)
Employee expenses		(3,336)	(3,228)	(2,000)	(2,552)
Depreciation and amortisation expense		(101)	(35)	(51)	(23)
Impairment of loans to controlled entities		(19)	-	(1,989)	(4,500)
Impairment of projects	4	(12,294)	-	-	-
Write-down and impairment of non-current assets	5	(353)	(307)	(948)	(307)
Share based payment expense	6	(1,085)	(3,167)	(1,085)	(3,167)
<b>(Loss)/profit before financing costs</b>		<b>(23,661)</b>	<b>(10,252)</b>	<b>(6,395)</b>	<b>(12,606)</b>
Financial Income		400	1,296	1,712	2,595
Financial Expenses		(607)	(3,537)	(597)	(717)
Net financing (costs) / income		(207)	(2,241)	1,115	1,878
<b>(Loss)/profit before income tax expense</b>		<b>(23,868)</b>	<b>(12,493)</b>	<b>(5,280)</b>	<b>(10,728)</b>
Income tax benefit/(expense) relating to ordinary activities		(474)	(1,897)	-	(1,671)
<b>(Loss)/profit attributable to members of the parent entity</b>		<b>(24,342)</b>	<b>(14,390)</b>	<b>(5,280)</b>	<b>(12,399)</b>
Basic earnings per share from continuing operations (cents)		(11.1)	(10.8)		
Diluted earnings per share from continuing operations (cents)		(11.1)	(10.8)		

**AGRI ENERGY LIMITED AND CONTROLLED ENTITIES**  
**BALANCE SHEETS**  
As at 30 June 2008

	Note	Consolidated		Company	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		289	14,210	109	4,771
Trade and other receivables		118	855	2,549	2,752
Inventories		6	1,926	-	31
Prepayments		6	402	1	104
Other		29	-	-	-
<b>Total current assets</b>		<b>448</b>	<b>17,393</b>	<b>2,659</b>	<b>7,658</b>
<b>NON-CURRENT ASSETS</b>					
Trade and other receivables		-	-	31,411	26,595
Other financial assets		172	1,118	23,302	23,754
Property, plant and equipment	7	77,950	49,681	132	215
Intangible assets		3,060	9,907	-	493
Deferred tax assets		-	-	-	-
Other		339	-	171	-
<b>Total non-current assets</b>		<b>81,521</b>	<b>60,706</b>	<b>55,016</b>	<b>51,057</b>
<b>TOTAL ASSETS</b>		<b>81,969</b>	<b>78,099</b>	<b>57,675</b>	<b>58,715</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables		12,090	7,857	1,588	1,712
Loans and Borrowings		2,162	2,985	2,162	2,975
Provisions		1,262	275	701	230
Current tax payable		565	480	-	-
Other		487	475	475	475
<b>Total current liabilities</b>		<b>16,566</b>	<b>12,072</b>	<b>4,926</b>	<b>5,392</b>
<b>NON-CURRENT LIABILITIES</b>					
Loan and borrowings	8	35,859	15,674	2,974	2,974
Deferred tax liabilities		-	-	-	-
<b>Total non-current liabilities</b>		<b>35,859</b>	<b>15,674</b>	<b>2,974</b>	<b>2,974</b>
<b>TOTAL LIABILITIES</b>		<b>52,425</b>	<b>27,746</b>	<b>7,900</b>	<b>8,366</b>
<b>NET ASSETS</b>		<b>29,544</b>	<b>50,353</b>	<b>49,775</b>	<b>50,349</b>
<b>EQUITY</b>					
Issued capital		66,922	63,334	66,922	63,334
Reserves		2,492	2,546	4,895	3,808
Accumulated losses		(39,870)	(15,527)	(22,042)	(16,793)
<b>TOTAL EQUITY</b>		<b>29,544</b>	<b>50,353</b>	<b>49,775</b>	<b>50,349</b>

**AGRI ENERGY LIMITED AND CONTROLLED ENTITIES**  
**STATEMENTS OF CHANGES IN EQUITY**  
For the Financial Year Ended 30 June 2008

**STATEMENTS OF CHANGES OF EQUITY - CONSOLIDATED**

	Issued Capital	Accumulated Losses	Translation Reserve	Share Option Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance at 1 July 2006	21,672	(1,137)	(47)	641	21,129
Net Profit for the period	-	(14,390)	-	-	(14,390)
Foreign exchange translation differences	-	-	(1,215)	-	(1,215)
Reserve Difference	-	-	-	-	-
Equity settled share based payment transactions	-	-	-	3,167	3,167
Share capital issued during the year	41,662	-	-	-	41,662
<b>Closing balance at 30 June 2007</b>	<b>63,334</b>	<b>(15,527)</b>	<b>(1,262)</b>	<b>3,808</b>	<b>50,353</b>
Opening Balance at 1 July 2007	63,334	(15,527)	(1,262)	3,808	50,353
Net Profit for the period	-	(24,342)	-	-	(24,342)
Reserve Difference	-	-	163	-	163
Foreign exchange translation differences	-	-	(1,336)	-	(1,336)
Equity settled share based payment transactions	-	-	-	1,085	1,085
Share capital issued during the year	3,621	-	-	-	3,621
<b>Closing balance at 30 June 2008</b>	<b>66,955</b>	<b>(39,869)</b>	<b>(2,435)</b>	<b>4,893</b>	<b>29,544</b>

**STATEMENTS OF CHANGES OF EQUITY - COMPANY**

	Issued Capital	Accumulated Losses	Translation Reserve	Share Option Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance at 1 July 2006	21,672	(4,394)	-	641	17,919
Net Profit for the period	-	(12,399)	-	-	(12,399)
Equity settled share based payment transactions	-	-	-	3,167	3,167
Share capital issued during the year	41,662	-	-	-	41,662
<b>Closing balance at 30 June 2007</b>	<b>63,334</b>	<b>(16,793)</b>	<b>-</b>	<b>3,808</b>	<b>50,349</b>
Opening Balance at 1 July 2007	63,334	(16,793)	-	3,808	50,349
Net Profit for the period	-	(5,280)	-	-	(5,280)
Equity settled share based payment transactions	-	-	-	1,085	1,085
Share capital issued during the year	3,621	-	-	-	3,621
<b>Closing balance at 30 June 2008</b>	<b>66,955</b>	<b>(22,073)</b>	<b>-</b>	<b>4,893</b>	<b>49,775</b>

**AGRI ENERGY LIMITED AND CONTROLLED ENTITIES**  
**CASH FLOW STATEMENTS**  
For the Financial Year Ended 30 June 2008

	Note	Consolidated		Company	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts in the course of operations		2,494	-	494	-
Cash payments in the course of operations		(11,840)	(7,453)	(3,754)	(4,099)
Interest received		459	678	37	385
Interest and other costs of finance paid		(194)	(683)	(597)	(679)
Income tax paid		(319)	-	-	-
<b>Net cash provided by operating activities</b>		<b>(9,400)</b>	<b>(7,458)</b>	<b>(3,820)</b>	<b>(4,393)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payment for property, plant and equipment		(554)	(1,985)	(145)	(161)
Ethanol project development expenditure		(1,184)	(4,326)	(38)	(483)
Project Development - Europe		(2,293)	(810)	-	-
Biodiesel project development		(26,652)	(41,262)	-	-
Proceeds from the disposal of:					
(a) businesses		(2)	600	-	600
(b) intellectual property		100	-	100	-
(c) physical non current assets		928	-	928	-
Loans to other entities		500	(500)	500	(500)
Other - business development opportunities		-	(419)	-	(419)
(a) non refundable deposit		1,137	-	1,137	-
(b) cash from acquisitions		131	367	-	-
Payments for equity investments		(60)	-	(60)	-
<b>Net cash used in investing activities</b>		<b>(27,949)</b>	<b>(48,335)</b>	<b>2,422</b>	<b>(963)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from borrowings		21,992	28,638	-	15,949
Repayment of borrowings		-	(10,000)	-	(10,000)
Payment for debt issue costs		-	-	-	-
Proceeds from issues of equity		-	40,250	-	40,250
Cost of raising capital		-	(3,206)	-	(3,575)
Amounts advanced to related parties		-	-	(3,264)	(48,137)
<b>Net cash (used in)/provided by financing activities</b>		<b>21,992</b>	<b>55,682</b>	<b>(3,264)</b>	<b>(5,513)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(15,357)</b>	<b>(111)</b>	<b>(4,662)</b>	<b>(10,869)</b>
Cash and cash equivalents at beginning of the financial year		14,210	15,644	4,771	15,640
Effects of exchange rate changes on the balance of cash held in foreign currencies		1,436	(1,323)	-	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		<b>289</b>	<b>14,210</b>	<b>109</b>	<b>4,771</b>

31(b)

**AGRI ENERGY LIMITED AND CONTROLLED ENTITIES**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2008**

**SEGMENT REPORTING**

The business segment reporting format reflects the consolidated entity's management and internal reporting structure.

**Business segments**

The consolidated entity comprises the following main business segment:

- . The primary business segment is the development of renewable fuel projects for production and distribution.

**Geographical segments**

- . The renewable fuel segment is managed on a worldwide basis and operates in three principal geographical areas, Australia, United States of America and Central Europe.

In presenting information on the basis of geographical segments, segment revenue will be based on the geographical location of customers. Segment assets are based on the geographical location of assets.

Transactions between the segments are calculated on a cost and arms length basis.

**Segment Reporting****Business Segments**

	Biofuels		Administration		Eliminations		Consolidated	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Total external revenues	3,703	48	80	400	-	-	3,783	448
Intersegment revenue	-	-	2,280	2,136	(2,280)	(2,136)	-	-
Total segment revenue	3,703	48	2,360	2,536	(2,280)	(2,136)	3,783	448
Segment result	(17,902)	(1,903)	(5,309)	(9,682)	636	4,500	(22,575)	(7,085)
Share based expense	-	-	(1,085)	(3,167)	-	-	(1,085)	(3,167)
Results from operating activities							(23,660)	(10,252)
Net finance costs							(207)	(2,241)
Income tax expense							(474)	(1,897)
Profit for the period							(24,341)	(14,390)

	Biofuels		Administration		Consolidated	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2007 \$'000	2006 \$'000
Segment assets	81,384	71,360	584	6,739	81,968	78,099
Total assets					81,968	78,099
Segment liabilities	13,781	19,382	7,901	8,364	21,682	27,746
Total liabilities	13,781	19,382	7,901	8,364	21,682	27,746
Capital expenditure	27,585	43,083	160	164	27,745	43,247
Depreciation	51	12	51	23	102	35
Impairment losses on investments and foreign exchange (gain)/loss	15,147	3,722	19	345	15,166	4,067

**Geographical Segments**

	Australia		United States		Central Europe		Consolidated	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Revenue from external customers			1,047		279		1,326	
Segment assets	585	16,110	78,271	59,624	3,112	2,365	81,968	78,099
Capital expenditure	160	1,335	27,576	41,912	9	-	27,745	43,247

**AGRI ENERGY LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO ACCOUNTS**  
**For the Financial Year Ended 30 June 2008**

	<b>\$000's</b>
<b>Note 1 : Revenue from sale of goods</b>	
Swan Hill Ethanol Pty Ltd - Sale of wheat (Feedstock)	151
Beatrice Biodiesel LLC - Sale of Soy Oil (Feedstock)	325
Central EU Biofuels (Austria) - Sale of Cooking Oil	279
	<u>755</u>
<b>Note 2 : Other Income</b>	
Head Office - Receipt of deposit for proposed sale of Beatrice Biodiesel LLC	1,137
Head Office - Receipt of Research & Development Grant	495
Swan Hill Ethanol Pty Ltd - Sale of Intellectual Property Ethanol Project	100
Beatrice Biodiesel LLC - Sale of Soy Oil - Derivative	721
Head Office - Recovery of Administration Costs	174
	<u>2,627</u>
<b>Note 3 : Administration</b>	
Foreign Exchange variance	(3,542)
Project Costs expensed Rail Car Operating Lease	(554)
Consultants	(1,245)
Cornell Fee	(245)
Other Administration Costs	(4,217)
	<u>(9,803)</u>
<b>Note 4 : Impairment of Projects</b>	
Sale of Swan Hill Project (write off accumulated costs)	(7,991)
Sale of Central EU Biofuels Hungary (100% owned subsidiary)	(3,633)
Writedown of other Australian Ethanol Projects	(670)
	<u>(12,294)</u>
<b>Note 5 : Write Down and Impairment of Non Current Assets</b>	
Closing of Australian Offices	(353)
	<u>(353)</u>
<b>Note 6 : Share based Payment Expense</b>	
At value calculated December 2007	(1,085)
	<u>(1,085)</u>
<b>Note 7 : Property Plant &amp; Equipment</b>	
Expenditure Beatrice Biodiesel Project FY 2007/2008	(25,048)
	<u>(25,048)</u>
<b>Note 8 : Loans and Borrowings</b>	
Agstar - Senior Debt Facility Beatrice Biodiesel	(30,744)
	<u>(30,744)</u>

For personal use only