

f. **Use of Funds - Expenditure Budget**

	Year 1	Year 2
Total funds raised	1,804,000	-
Utilised as follows:		
Review, evaluation and development of the Australian Ethanol Business	250,000	250,000
Review and evaluation of new projects	200,000	200,000
<i>Total general working capital budget</i>	<i>450,000</i>	<i>450,000</i>
Repayment of loan funds arranged by Ascent Capital for payment to the Deed Administrator to satisfy obligations under the Deed of Company Arrangement (Working Capital Loans)	402,258	-
Working capital, including expenses associated with the Recapitalisation Proposal to be repaid to Ascent Capital	350,000	151,742
Total funds utilised	1,202,258	601,742

- 1) The expenses of this Issue and the recapitalisation are estimated at \$150,000.
- 2) The estimated use of funds is contingent upon positive progress and results from the expenditure in line with the Company's objectives and strategy. The Directors reserve the right to expend the funds of the Company for the above purpose or for related or other purposes in line with the Company's objectives and strategy. The final expenditure of funds may vary from the above depending upon the circumstances in which the business develops and operates.
- 3) The Company proposes to allocate capital towards the review and evaluation of new projects in the energy and resources sectors. The Company will assess complementary opportunities in the energy sector. These opportunities may be by way of direct investment, joint venture or staged investment based on the project meeting agreed hurdles or milestones. If no complementary opportunities are identified then the Directors reserve the right to allocate this capital towards other business sectors. In the event that a major acquisition is identified, the Company will seek Shareholder approval to change the nature and scale of its activities. At this stage, the Directors have not identified nor given consideration to any other business sector.

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