

7 November 2008

ASX ANNOUNCEMENT

SUCCESSFUL REMOBILISATION OF BIODIESEL PLANT

Sterling Biofuels International Limited wishes to announce that it has completed remobilisation of its 100,000 metric tonne (mt) biodiesel plant in Malaysia.

Start up of the plant proceeded relatively smoothly under the supervision of Desmet, the equipment suppliers and the plant has produced a limited quantity of biodiesel to export (EN14214) specifications.

The decision to remobilise the plant was made against a backdrop of falling feedstock prices.

Since March 2008, the price of crude palm oil (which is refined for use as the Company's feedstock) has fallen by nearly 65% to around US\$450/mt as a result of easing demand, falling crude oil prices and fears of a global recession.

The global economic slowdown has also had an impact on the demand for, and price of, various commodities. Biodiesel prices have trended downwards in line with the drop in crude oil prices and weakening economic sentiment. Currently, palm biodiesel is trading at US\$500-550/mt FOB compared to a high of US\$1,240/mt earlier this year.

At the Company's Annual General Meeting today Group Managing Director, CRS Paragash, said "Against this backdrop and notwithstanding the weakening in palm biodiesel prices, I am pleased to announce that we have remobilised our biodiesel plant for production. We have successfully produced a limited quantity of biodiesel to the required specifications and are currently building up our stocks. Continuous production going forward will however depend on biodiesel prices improving so as to give us margins."

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