ABG – strategic alignment with White Mountain Group, LLC – White Mountain Investment in ABG Valued at A$ 16 million

In line with its strategy, Australian Biodiesel Group Limited (ABG) is pleased to inform the market that it has entered into a strategic alignment with White Mountain Group, LLC. Under the terms of a subscription agreement, which is subject to due diligence and to be approved by shareholders, White Mountain Group, LLC will:

- introduce a patented, commercially proven technology to ABG that produces very low cost renewable diesel fuel from virgin and waste vegetable oils, without the use of hazardous materials, such as methanol or caustics used in existing biodiesel production facilities;
- provide a worldwide (exclusive of North America) opportunity for ABG to license and operate additional new facilities to produce renewable fuels. In addition, ABG will have the ability to convert existing, or redundant biodiesel facilities;
- develop off-take agreements for renewable fuels that may include export opportunities.
- include a patent pending technology that recovers material from waste water, commonly found in municipal waste water systems and in subterranean collection that can be converted to renewable diesel;
- provide ABG with an off-take agreement for the renewable fuels that the Company will be producing from very low grade feed stocks;
- provide the Company with US$6.2 million for the installation of a new processing and refining plant to be located on current ABG premises;
- provide the Company with US$3 million to secure a technology license for the benefit of ABG.
- provide the Company with an initial US$1 million in working capital;
- add additional management and operational expertise and capabilities to the Company; and
- provide access to debt facilities to organically grow ABG’s service business, which includes waste water processing and used cooking oil collection.

In consideration, shareholders will be asked to approve the issue of up to 51% of the share capital in ABG to White Mountain Group, LLC. As part of the transaction, shareholders will also be asked to approve a 10 for 1 consolidation of ABG shares, which means that the 456,150,862 ordinary shares, plus 21,550,000 options currently on issue or awaiting shareholder approval will be consolidated to 47,770,086 new fully paid ordinary shares. Subject to meeting various performance milestones, White Mountain Group, LLC will be issued up to 49,719,886 fully paid ordinary shares on a post consolidation basis.
Chairman, Mr Wayne Rogers said, “This is an exciting opportunity for ABG. It is an important next step in the next phase of development for the Company and subject to normal due diligence, the Board will be recommending to shareholders to welcome White Mountain Group, LLC onto the Company’s register.”

ABG is preparing for a General Meeting of members to consider the merits of and, if thought fit, approve the transaction. Hall Chadwick has been commissioned as independent expert to review and opine on the transaction. The General Meeting will be called as soon as practicable.

Mr. Rogers concluded “certain conditions precedent need to be satisfied for both ABG and White Mountain, and the board will be keeping the shareholders informed on these matters, prior to the EGM.”

White Mountain Group, LLC is a US Company, formed in Delaware, U.S., and operates in Phoenix, Arizona, whose executives and shareholders have access to significant investment capital and technology. The technology is world class and transformational to the world of renewable diesel as it is able to use feedstocks that other technologies cannot.

At this point in time, no additional information on White Mountain can be made public but more information will be released to market within 30 days.

Further information:

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