
Fuel Company Inks \$200M Biodiesel Deal

Western Australian fuel distributor Westfuel has signed an agreement to receive up to 45 million litres of biodiesel over the next four years, valued at \$200 million at current spot prices.

The biodiesel will be manufactured at a brand new plant being built at Picton, near Bunbury, by Australian Renewable Fuels Limited (ARFuels).

ARFuels Managing Director, Darryl Butcher, said the agreement had a guaranteed minimum

volume component and followed a five-year, \$250 million sale agreement with South Australian fuel distributor Dermody Petroleum in March. "We are delighted to have locked in over \$450 million in contracted sales within Australia", Butcher said.

"This is a testament to the high quality of our product and confirms our view of the rapidly growing appeal of biodiesel as a renewable option for fuel. ARFuels is well advanced in its strategy to roll out a series of five plants in Australia, with our second plant at Picton at an

advanced commissioning stage, and the entire production from both plants already locked in to local sales."

Westfuel General Manager, Barry Scott, said the use of biodiesel would provide a "further point of distinction" between the company and other fuel suppliers. He said the company was confident the acquisition would help it increase market penetration and boost growth. Westfuel distributes fuel in the south of WA and has over 25 years experience. ■