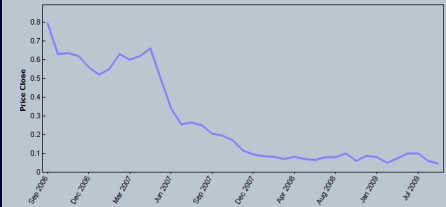


## Sterling Biofuels International (SBI)

L-T Rating: Hold  
S-T Rating: Sell

### 5-YEAR PRICE HISTORY



Shares Outstanding: 65,000,000  
Market Cap: \$2.9 million  
Closing Price: 4.50c

### Stock Dashboard™

Price Change	null / 0%
All Ordinaries index Change	-65.1 / -1.38%
Relative Change	1.38%
Volume Index (Average=1)	0.05
52-Week High	11.0c
% Disc to High	59.09%
52-Week Low	4.0c
% Prem to Low	12.5%
Price/Earnings	0x
Price/NTA	0.29x
Yield %	0%
Present Value \$1000 (1 year)	\$1,125
Change in MAP-200	
Momentum 1 Day	
Momentum 1 Month	

## Sterling Biofuels International closes at 22.6% below VWP but at 12.5% premium to 52-week low

Sterling Biofuels International, Australia's 41st largest chemicals company by market capitalisation, closed unchanged at 4.50c. The price is at a discount of 22.6% to the 1-month volume weighted average price of 6.0c, which may appeal as a value proposition. Compared with the All Ordinaries index, which fell 65.1 points (or 1.4%) on the day, this was a relative price change of 1.4%.

### Long-Term Recommendation: Hold

Sterling Biofuels International is Australia's 41st largest chemicals company with a market capitalization of \$2.9 million. Among chemicals companies it has the 67th highest total assets and 44th highest revenues.



### Summary of Links

- Company Website
- Peer Comparison
- Financial Reports
- About the company
- Sector Comparison
- Supervisory Board
- Contact the company
- Press release/Media

## RELATIVE VALUATION INDICATORS - RVI™ - FUNDAMENTAL ANALYSIS

### Bullish Signals:

- Price/Sales of 0.7 versus sector average of 57.8 and market average of 13.5.
- The Price to Book of 0.3 lower than average of 7.3 for the Total Australian Market.

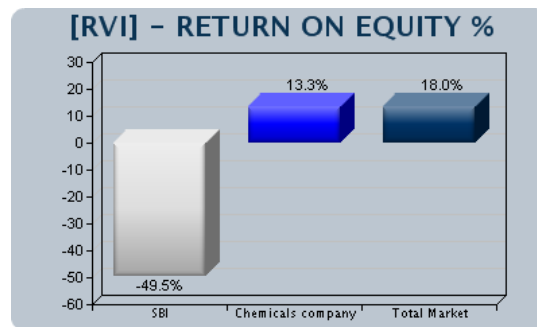
### Bearish Signals:

- Return on Equity of -49.5% versus sector average of 13.3% and market average of 18.0%.
- Return on Assets of -46.8% versus sector average of 7.2% and market average of 6.5%.

## RELATIVE VALUATION INDICATORS - RVI™ - TECHNICAL ANALYSIS

### Bearish Signals:

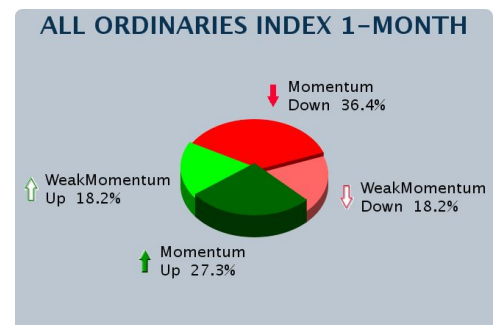
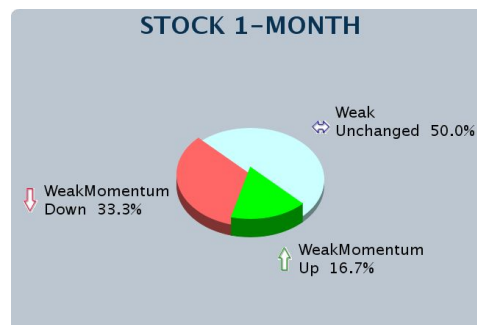
- Compared with the All Ordinaries index which fell 2.2% for the month, this represented a relative price decrease of 24.0% for the month.
- In the Australian market of 1,350 stocks traded today, the stock has a 6-month relative strength of 47 which means it has underperformed 53.0% of the market.



## PRICE VOLUME DYNAMICS

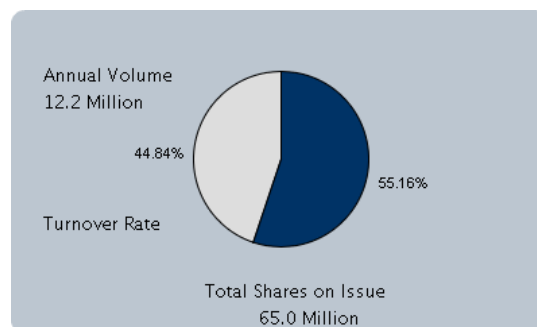
### Relativities

Today its percentile rank in the Australian market was 55. In the Australian market of 1,350 stocks traded today, the stock has a 6-month relative strength of 47 which means it has underperformed 53.0% of the market.



### Volume and turnover period

There were 2,500 shares worth \$113 traded. The volume was 0.1 times average trading of 48,640 shares. The turnover rate in the 12 months to date was 18.7% (or a turnover period of 5 years 4 months).

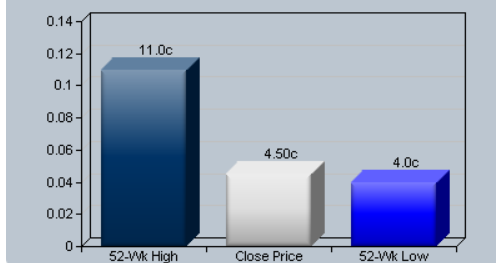


	Turnover Period
Stock	5 years 4 months
Sector	2 years 6 months

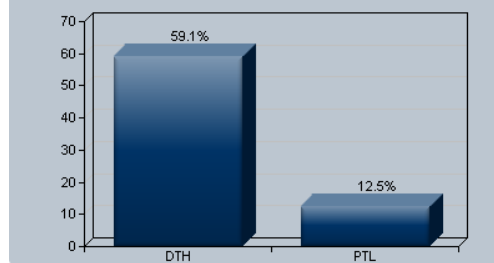
### % Premium to low

The last price is at a premium of 12.5% to the 12-month low of 4.0c a year ago on 24 Feb, 2009.

### ONE-YEAR PRICE HIGH, CLOSE AND LOW PRICE



### % DISCOUNT TO HIGH AND % PREMIUM TO LOW



## PRICE PERFORMANCE RANK

The stock is in 1 index and 2 sectors :

The stock was unchanged at 4.50c while the Total Australian Market of 1350 stocks traded today, was up 147.4 points or 1.2% to 12,804.9

The following index and sector fell:

All Ordinaries index which was down 65.1 points or 1.4% to 4,665.9,

Chemicals sector of 41 stocks traded today, which was down 34.6 points or 0.5% to 7,153.4

### Stock Ranking by Percentage Price Change, versus Index and Sectors for 1 day and 6 months

	Rank of Stock 1 Day	Rank of Stock 6 Months	Total Number of Stocks in Sector/Index
Chemicals sector	14	23	50
All Ordinaries index			450
Total Australian Market	359	703	1859

## SHAREHOLDER RETURNS

### Trailing one week

The stock was untraded four times (80% of the time) and was unchanged once (20% of the time). The value of \$1,000 [vs \$996 for the All Ordinaries index] invested a week ago is unchanged.

### Trailing one month

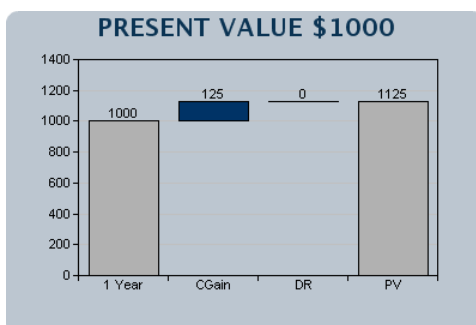
The stock was untraded sixteen times (73% of the time), was unchanged three times (14% of the time), fell twice (9% of the time) and rose once (5% of the time). The volume was 0.2 times average trading of 1,070,080 shares. The value of \$1,000 invested a month ago is \$738 [vs \$1,036 for the All Ordinaries index], for a capital loss of \$262 (or loss of 26.2%).

### Trailing one year

The value of \$1,000 invested one year ago is \$1,125 [vs \$1,514 for the All Ordinaries index], for a capital gain of \$125. The total return to shareholders for 1 year is 12.5%.

### Trailing five years

The value of \$1,000 invested five years ago is \$45, for a capital loss of \$955.



## FINANCIALS

Annual Report for the year ended June 30, 2009 (year-on-year comparisons with previous corresponding period)-

EBIT to total assets of -45.9%.

### Favourable Changes

Total liabilities to total assets down 40.63% to 0.1.

### Unfavourable Changes

Loss of \$A5.0m (\$US4.1m); EPS reduced 59.63% to \$A-0.08 (US-6.26c); EBIT loss of \$A4.9m (\$US4.0m); losses in all of the last 4 years; total debt to net tangible assets up from 0.6% to 0.6%; debt to equity up 7.17% to 0.006; current ratio down 54.58% to 2.1; Net tangible assets per share down 24.11% to \$A0.2 (US12.6c); operating cash flow is negative; Working capital to total assets down 82.7% to 5.6%.

### Steady

Total number of shares outstanding steady at 65,000,000.

### Major Common Size Ratios

Total non current assets to total assets up from 58.77% to 89.19%; fixed assets to total assets up from 46.39% to 68.16%; total current assets to total assets down from 41.23% to 10.81%; cash to total assets down from 36.3% to 7.09%; current inventory to total assets down from 3.1% to 1.83%.

## ISSUED CAPITAL

Based on 65,000,000 issued equity shares the market capitalisation is \$2.9 million. It is Australia's 67th largest Chemicals company by assets.

## TOP MANAGEMENT

The chairman is Crs Paragash.

## REPORTED BUYING SELLING

April 23: Sterling Biofuels International substantial shareholder buys  
Sterling Biofuels International (SBI.AU) substantial shareholder Lim Wai Foong bought 3,561,623 shares between November 20, 2008 and April 15, 2009. and now holds 7123246. The last price was \$1.0.

June 17: STERLING BIOFUELS INTERNATIONAL SUBSTANTIAL SHAREHOLDER BUYS  
Sterling Biofuels International (SBI) substantial shareholder Devonshire Funds bought 760,000 shares worth \$575,973 between January 31 and June 13, 2008. Devonshire Funds previously held 6,620,421 shares (or 10.2%) and now holds 7,380,421 shares (or 11.4%). The last price was 75.79c.

March 25: STERLING BIOFUELS INTERNATIONAL SUBSTANTIAL SHAREHOLDER BUYS  
Sterling Biofuels International (SBI) substantial shareholder Devonshire Funds bought 925,684 shares worth approximately \$64,798 between March 06 and March 19, 2008. Devonshire Funds previously held 3,997,696 (or 6.2%) and now holds 4,923,380 (or 7.6%). The last price was 7.0c.

Date	Name	No. of Shares	Shares Held Previously	No. of Shares At Close	Price
15-04-2009,12-06-2009	Lim Wai Foong	5,086,795 shares worth \$502,264	3,561,623 shares (5.48%)	8,648,418 shares (14.41%)	7.50c
20-11-2008,15-04-2009	Lim Wai Foong	3,561,623 shares	3,561,623 shares (5.48%)	nil	3.50c

Date	Name	No. of Shares	Shares Held Previously	No. of Shares At Close	Price
30-06-2008,05-06-2009	Devonshire Funds	2,223,000 shares	8,605,535 shares (13.24%)	6,382,535 shares (9.82%)	7.50c

## COMPANY ANNOUNCEMENTS: RECENT HEADLINES AND SNIPPETS

### January 27, 2010: Sterling Biofuels has \$32k cash

Sterling Biofuels Ltd had cash outflows of \$86,000 for the December quarter 2009. Operating cash outflows were \$592,000; receipts from customers were \$65,000. Investing cash flows, largely from the purchase of non-current assets, were \$90,000. Financing cash flows were \$596,000. Cash at the end of the quarter was \$32,000, down from \$119,000. (Source: NewsBites)

### August 28, 2009: Sterling Biofuels has \$5k FY09 loss

Sterling Biofuels Ltd reduced its loss to \$5,024 in the year to June 30, 2009, from a previous \$12,449 loss, on revenue up from \$1.1 million to \$4.2 million. There was no dividend. Cash was down 85.8% to \$762,000. During the year, Sterling remobilised its Malaysian biodiesel plant, but was not able to maintain continuous production, due to falling biodiesel prices. In April, the company began cost-cutting measures. It is now debt free. The company says biodiesel prices are firming, and it is ready to take advantage of these trends if they continue. (Source: NewsBites)

**July 27, 2009: Sterling Biofuels has \$762k cash**

Sterling Biofuels International Ltd had \$3,903,000 receipts from customers in the June quarter, and the net operating cash inflow was \$3,390,000. The cash balance was \$762,000. (Source: NewsBites)

**June 17, 2009: Lim Foong buys 5m Sterling Biofuels shares**

Lim Wai Foong bought 5,086,795 Sterling Biofuels International shares for \$502,264 between April 15 and June 12, increasing from 3,561,623 shares (5.48%) to 8,648,418 shares (14.41%). (Source: NewsBites)

**June 09, 2009: Devonshire sells 2.2m Sterling Biofuels shares**

Devonshire Funds sold a net 2,223,000 Sterling Biofuels International shares on-market between June 30 and June 5, decreasing from 8,605,535 shares (13.24%) to 6,382,535 shares (9.82%). (Source: NewsBites)

**April 27, 2009: Sterling Biofuels has \$817k cash**

Sterling Biofuels International Ltd had \$89,000 receipts from customers in the March quarter and the net operating cash outflow was \$684,000. The cash balance was \$817,000. (Source: NewsBites)

**April 23, 2009: Lim Wai Foong buys 3.6m Sterling shares**

Lim Wai Foong bought 3,561,623 Sterling Biofuels International shares between November 20 and April 15, becoming a substantial holder with 3,561,623 shares (5.48%). (Source: NewsBites)

**April 01, 2009: Sterling Biofuels director resigns**

Sterling Biofuels International Ltd director Alister Maitland resigned on April 1. He directly holds 350,000 options and indirectly holds 50,000 shares. The company appointed Paul Mason as director on April 1. He holds no shares. (Source: NewsBites)

**February 24, 2009: Sterling Biofuels has \$3.6m loss**

Sterling Biofuels International Ltd reduced its loss to \$3.6 million in the half-year to December 31, 2008 from a previous \$10.2 million loss on revenue down 56% to \$106,000. There was no dividend. Cash was down 66.6% to \$2 million. During the period, the company completed the remobilisation of its 100,000 metric tonne biodiesel plant in Malaysia and produced a limited quantity of biodiesel to export specifications. Due to the global economic slowdown and weakening crude oil prices which resulted in a drop in biodiesel prices, the company says continuous production will depend on biodiesel prices improving. (Source: NewsBites)

**January 29, 2009: Sterling Biofuels has \$2m cash**

Sterling Biofuels International had no receipt from customers for the quarter ended December 31, and net operating out flow was \$4,239,000. The cash balance was \$2,011,000. (Source: NewsBites)

**August 27, 2008: Sterling Biofuels loss lifts to \$12.4m**

Sterling Biofuels International Ltd reported an increased net loss. (Source: News Bites)

**June 17, 2008: Devonshire buys 1.3m Sterling Biofuels shares**

Devonshire Funds bought 1,335,973 Sterling Biofuels International shares worth \$575,973 between January 31 and June 13, increasing from 6,620,421 shares (10.19%) to 7,380,421 shares (11.35%). (Source: NewsBites)

**June 04, 2008: Sterling Biofuels seeks cheaper feedstock**

Sterling Biofuels International Ltd will seek alternative feedstock at lower prices after paying feedstock provider LDEO \$77,000 to terminate a contract requiring it to take between 2,000 metric tonnes and 4,000 mt of palm olein a month until June 30, 2010. The company is confident of finding alternative supply at lower prices and positioning itself to take advantage of any forward reduction in feedstock prices. (Source: NewsBites)

**May 29, 2008: Devonshire Funds buys 673k Sterling Biofuels shares**

Devonshire Funds bought 672,840 Sterling Biofuels shares between January 31 and May 28, increasing from 5,947,581 shares (9.15%) to 6,620,421 shares (10.19%). (Source: NewsBites)

**April 24, 2008: Sterling Biofuels has \$5.9m cash**

Sterling Biofuels Ltd had no receipts from customers for the three months to March 31, 2008, and net operating cash flow was \$279,000. The cash balance was \$5.9 million. (Source: NewsBites)

## ACTIVITIES

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Sterling Biofuels International is engaged in the construction of a 100,000 ton per annum multifeedstock biodiesel manufacturing plant at Lahad Datu in the Malaysian state of Sabah. Its operations are based in Malaysia.

Further details can be found at <http://www.sterlingbiofuels.com/>.

## FINANCIAL RESULTS

Further financial information can be found in the company's annual report.

### Year On Year Comparison

#### ANNUAL REPORT: STERLING BIOFUELS INTERNATIONAL (ASX:SBI) \$A5.0M LOSS

- Total liabilities to Total assets down 40.63% to 0.1

#### Unfavourable Changes:

- Loss of \$A5.0m (\$US4.1m)
- EPS reduced 59.63% to \$A-0.08 (US-6.26c)
- EBIT loss of \$A4.9m (\$US4.0m)
- Losses in all of the last 4 years
- Total debt to net tangible assets up from 0.6% to 0.6%
- Debt to Equity up 7.17% to 0.006
- Current ratio down 54.58% to 2.1
- Net tangible assets per share down 24.11% to \$A0.2 (US12.6c)
- Operating Cash Flow is negative
- Working capital to total assets down 82.7% to 5.6%

#### Steady:

- Total number of Shares outstanding steady at 65,000,000

Company Name : STERLING BIOFUELS INTERNATIONAL (SBI)					
June 30	2009	2008	2009	2008	Change
Description	\$A ('000)	\$A ('000)	\$US ('000)	\$US ('000)	(%)
EBITD	(2,414.0)	na	(1,953.7)	na	na
Depreciation	2,518.0	1,938.0	2,037.8	1,861.1	Up 29.9
EBIT	(4,932.0)	na	(3,991.5)	na	na
Interest	92.0	na	74.5	na	na
Pre Tax Profit/(Loss)	(5,024.0)	(12,448.0)	(4,065.9)	(11,954.3)	Reduced 59.6
Profit/(Loss) after Tax	(5,024.0)	(12,449.0)	(4,065.9)	(11,955.2)	Reduced 59.6
Working Capital	597.0	4,742.0	483.2	4,553.9	Down 87.4
Current Assets	1,162.0	6,086.0	940.4	5,844.6	Down 80.9
Current Liabilities	565.0	1,344.0	457.3	1,290.7	Down 58.0
Shareholders' Funds	10,140.0	13,361.0	8,206.3	12,831.1	Down 24.1
Total Liabilities	605.0	1,400.0	489.6	1,344.5	Down 56.8
Total Assets	10,745.0	14,761.0	8,695.9	14,175.5	Down 27.2
Current Debt	21.0	19.0	17.0	18.2	Up 10.5
Non Current Debt	40.0	56.0	32.4	53.8	Down 28.6
Total Debt	61.0	75.0	49.4	72.0	Down 18.7
Cash and cash equivalents	762.0	5,358.0	616.7	5,145.5	Down 85.8
Operating Cash Flow	(2,551.0)	(4,548.0)	(2,064.5)	(4,367.6)	Reduced 43.9
Net Assets	10,140.0	13,361.0	8,206.3	12,831.1	Down 24.1
Net Tangible Assets	10,140.0	13,361.0	8,206.3	12,831.1	Down 24.1
Total Shares Outstanding	65,000,000	65,000,000	65,000,000	65,000,000	Steady

#### Common Size Ratios

- Total non current assets to Total Assets up from 58.77% to 89.19%
- Fixed Assets to Total Assets up from 46.39% to 68.16%
- Total current assets to Total Assets down from 41.23% to 10.81%
- Cash to Total Assets down from 36.3% to 7.09%
- Current Inventory to Total Assets down from 3.1% to 1.83%

Total non current assets to Total Assets(%)	89.19	58.77	89.19	58.77	Up 51.75
Fixed Assets to Total Assets(%)	68.16	46.39	68.16	46.39	Up 46.92
Total current assets to Total Assets(%)	10.81	41.23	10.81	41.23	Down 73.77
Cash to Total Assets(%)	7.09	36.3	7.09	36.3	Down 80.46
Current Inventory to Total Assets(%)	1.83	3.1	1.83	3.1	Down 40.91
Depreciation to Revenues(%)	59.84	170.6	59.84	170.6	Down 64.92
Interest expenses to Revenues(%)	2.19	na	2.19	na	na
EBITD to Revenues(%)	(57.37)	na	(57.37)	na	na
EBIT to Revenues(%)	(117.21)	na	(117.21)	na	na
Profit before tax to Revenues(%)	(119.39)	(1095.77)	(119.39)	(1095.77)	Up 89.1

#### Performance Ratios

Return on Equity(%)	(49.5)	(93.2)	(49.5)	(93.2)	Reduced 46.8
Return on Assets(%)	(46.8)	(84.3)	(46.8)	(84.3)	Reduced 44.6
Total debt to net tangible assets(%) (Up 7.2% from 0.56134 to 0.60158)	0.6	0.6	0.6	0.6	Up 7.2
Total Liabilities to Operating Cash Flow	(0.2)	(0.3)	(0.2)	(0.3)	Reduced 23.0
Debt/Equity (Up 7.2% from 0.00561 to 0.00602)	0.0	0.0	0.0	0.0	Up 7.2
Total Liabilities/Total Assets (Down 40.6% from 0.09484 to 0.05631)	0.1	0.1	0.1	0.1	Down 40.6
Interest Cover	(53.6)	na	(53.6)	na	na
Current Ratio	2.1	4.5	2.1	4.5	Down 54.6

#### Per Share figures

EBIT	(\$A0.1)	na	(US6.1c)	na	na
EBITD (2009: \$A-0.03714 (US-3.01c))	(\$A0.0)	na	(US3.0c)	na	na
Cash (Down 85.8% from \$A0.08243 (US7.92c) to \$A0.01172 (US0.95c))	\$A0.0	\$A0.1	US0.9c	US7.9c	Down 85.8
Working Capital (Down 87.4% from \$A0.07295 (US7.01c) to \$A0.00918 (US0.74c))	\$A0.0	\$A0.1	US0.7c	US7.0c	Down 87.4
Shareholders' Funds (Down 24.1% from \$A0.20555 (US19.74c) to \$A0.156 (US12.63c))	\$A0.2	\$A0.2	US12.6c	US19.7c	Down 24.1
Total Liabilities (Down 56.8% from \$A0.02154 (US2.07c) to \$A0.00931 (US0.75c))	\$A0.0	\$A0.0	US0.8c	US2.1c	Down 56.8
Total Assets (Down 27.2% from \$A0.22709 (US21.81c) to \$A0.16531 (US13.38c))	\$A0.2	\$A0.2	US13.4c	US21.8c	Down 27.2
Current Debt (Up 10.5% from \$A0.00029 (US0.03c) to \$A0.00032 (US0.03c))	\$A0.0	\$A0.0	US0.0c	US0.0c	Up 10.5
Non Current Debt (Down 28.6% from \$A0.00086 (US0.08c) to \$A0.00062 (US0.05c))	\$A0.0	\$A0.0	US0.0c	US0.1c	Down 28.6
Total Debt (Down 18.7% from \$A0.00115 (US0.11c) to \$A0.00094 (US0.08c))	\$A0.0	\$A0.0	US0.1c	US0.1c	Down 18.7
Net Tangible Assets (Down 24.1% from \$A0.20555 (US19.74c) to \$A0.156 (US12.63c))	\$A0.2	\$A0.2	US12.6c	US19.7c	Down 24.1
Full Year Earning (EPS)	(\$A0.1)	(\$A0.2)	(US6.3c)	(US18.4c)	Reduced 59.6
Auditor	Ernst & Young.				

## Fundamentals

	Valuation			Size		
	P/Sales	Discount to 52-Wk High (%)	Premium to 52-Wk Low (%)	Market Cap \$ billion	Total Assets \$ billion	Revenue \$ billion
Chemicals sector Avg	57.8x	5.9	78.3	32	0	0
SBI	0.7x	59.1	12.5	0	0	0
Rank	7	4	4	41	67	44
Rank 1	0.2x WYL	75.0 ANP	1.8 CIR	9 ORI	7 ORI	8 ORI
Rank 2	0.3x PSH	72.9 HCG	4.0 SIP	6 IPL	7 IPL	4 API
Rank 3	0.3x LDW	72.4 GDO	5.3 HMC	2 NUF	3 NUF	3 IPL
Lowest Rank	932.8x PXS	3.7 NPX	1201.4 NRT	0 SBI	0 AVT	0 CDY

## Technical

	Price Volume Dynamics		
	PV \$1,000 (1 Yr)	Rel Strength (6m)	1-Year Price (%)
Chemicals sector Avg	1764.7	59.2	66.8
SBI	1125.0	47.5	12.5
Rank	35	27	31
Rank 1	12200.0 IFS	99.5 NRT	1120.0 IFS
Rank 2	11307.7 DCG	96.2 HGN	1030.8 DCG
Rank 3	7307.7 NRT	94.2 VLA	630.8 NRT
Lowest Rank	62.4 GDO	3.4 HCG	-16.7 HMC

## About BuySellSignals

BuySellSignals Financial Research provides equity research on over 20,000 companies listed in more than 30 countries across the world.

BuySellSignals believes that every stock has a story to tell and that this story changes every day. To capture this story, BuySellSignals offers the latest pertinent and comprehensive information so that investors can make well-informed investment decisions. BuySellSignals publishes equity research reports on each stock, sector and index daily to capture the latest market movements and sentiments.

BuySellSignals eschews "hot tip" or headline investing in favour of high-quality, ultra-current, targeted technical and fundamental information including specific bullish and bearish signals for each stock. Insights that will guide you to the investments that are hard to find in today's hyperactive mainstream markets.

## Variable Definitions and Quotes

Further details on definitions and quotations from investing legends can be found at [click here](#).

## BST Momentum Colour Guide

Momentum Up		Price increase fuelled by above average Volume
Weak Momentum Up		Price increase on below average Volume
Momentum Down		Price decrease fuelled by above average Volume
Weak Momentum Down		Price decrease on below average Volume
Strong Unchanged		Price unchanged on above average Volume
Weak Unchanged		Price unchanged on below average Volume
Untraded		Untraded

Currency Conversion: Australian Dollar AUD 1 = US\$ 0.8892 [or US\$1=AUD 1.12]; Against the US\$ the AUD slumped 121.1 basis points (or 1.2%) for the day; fell 1.3% for the week; dipped 0.1% for the month; advanced 11.0% in the past year. \$1 = 100c.

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