

Friday, 1 February 2019

## DAIRY PROTEIN EXTRACTION PLANT

Beston Global Food Company Limited (ASX: BFC) announces that it has completed the installation and commissioning of a freeze drying and milling facility at its dairy protein fractionation plant at Jervois, South Australia.

Production of liquid lactoferrin, in commercial quantities, commenced at the plant late last year, following the increased production of whey from the new mozzarella plant at Jervois. The addition of the freeze drying and milling facility means that lactoferrin can now be produced at Jervois in final product form, rather than the liquid lactoferrin being shipped interstate to third party contractors for further processing.

The new facility received Australian Government accreditation on 30 January, 2019 thereby enabling the end product, powdered lactoferrin, to be exported to overseas markets.

The Chief Executive of BFC, Mr Jonathan Hicks, said that the completion of the freeze drying and milling facility represented a major milestone in the development of the Jervois dairy protein fractionation plant.

"We now have the ability to extract substantial value from the by-products of our cheese manufacturing activities and be a significant player in the global dairy nutraceuticals industry", he said.

"At the time when BFC acquired the dairy protein fractionation plant in 2015, high grade milled lactoferrin product was selling for around AUD200 to 250 per kilogram. It is now fetching up to 8 to 10 times that price in global markets", Mr Hicks said.

Mr Hicks said that a number of process improvements and controls had been introduced as part of the overall refurbishment of the dairy protein extraction plant which have assisted volume flows and improved the consistency of production.



BESTON GLOBAL FOOD COMPANY LIMITED

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A member of the Beston Global Food Company Group of Companies

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BFC advises that it has signed contracts for the committed sales of all of its current production of lactoferrin.

In its 2018 Annual Report, BFC noted that the Company had expensed funds over the previous three to restore and upgrade the Dairy Protein Extraction Plant at Jervois in order to produce three nutraceutical products:

- Lactoferrin (LF)
- Lactoperoxidase (LP)
- Immunoglobulin (IgG)

The Report stated that "The nutraceuticals produced from the fractionation of whey (i.e. LF, LP and IgG) command relatively high prices in the market place and thereby relatively high returns against the low-cost feedstock of whey liquid, a by-product of cheese making."

BFC further noted in the 2018 Annual Report that the Company expected to be in a position to "switch on" the dairy protein fractionation plant towards the end of the calendar year.

The developments explained above, mean that the "switching on" of the plant has not only occurred on time as expected, but the completion of the installation, commissioning and accrediting of the freeze drying and milling facilities during January 2019 has now taken those operations a step further and provided the capability for BFC to produce final form Lactoferrin powder product in addition to liquid Lactoferrin.



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