



Murray River Organics Group Limited
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3rd January 2017

ASX Market Release

MARKET UPDATE

The Board and Management of Murray River Organics Group Limited (the "Company") was extremely pleased to note the significant level of investment market demand and pre-IPO support for shareholding in the Company.

The Company notes the recent heightened level of commentary and interest from shareholders and the general investment community relating to some key matters that are important to the business of the Company, and wishes to provide the following update:

Sales to China: As consistently communicated by the Company, it is not reliant on sales into the Chinese market. Neither through sales direct to Chinese customers nor through what is known as the "Daigou-trade". The Company does currently sell to China and will continue to seek to increase its sales to China, amongst others via its recently engaged sales representative in China. Investors should note that sales to China for FY17 (proforma) are forecast to be below 2% of total sales.

Weather: The night of 11th November 2016 saw a significant storm pass through parts of the Sunraysia region. The storm included lightning, hail, strong wind and high rainfalls. Furthermore, since late December, severe weather has passed through Western Australia, South Australia, Victoria and South Eastern parts of Queensland. The Company owns multiple farming assets located in the Sunraysia region. The Company's farms are geographically diversified which provides the business a level of protection and risk mitigation from being significantly impacted from events such as that of 11th November 2016. The Company is pleased to confirm that its crop, property and assets have not been impacted by any of the aforementioned weather events.

Foreign Currency: The Company does sell to markets outside of Australia. The majority of its sales to markets outside of Australia are priced in Australian dollars. The recent weakness in the Australian dollar does not therefore detrimentally impact the profitability of sales the Company makes to markets outside of Australia.

Grafting of vines: Consistent with messaging during the pre-IPO and Prospectus communication, the Company is undertaking a significant bud grafting program across parts of some of its vineyards. Bud grafting is a horticultural technique employed by the Company to change the parent material from an existing wine variety to a dried vine fruit variety. The Company has been undertaking bud grafting systematically for several years and is pleased to advise that the more than 95% success rate achieved this year is the highest in its history.

The Company looks forward to communicating further with the market upon release of its half-year FY17 results.

END

For further information contact: Erling Sorensen, Managing Director, Murray River Organics Group Limited

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Certifications

