



TPI ENTERPRISES LTD. (TPE) – CONFIRMS TOLL PROCESSING DEAL WITH ONE OF THE LARGEST GLOBAL NARCOTIC RAW MATERIAL (NRM) PRODUCERS.

(ASX : TPE)

Statement by TPI Enterprises Ltd. CEO, Jarrod Ritchie

Melbourne, Australia, 03 April 2017

TPE confirms that it signed a toll processing agreement to process up to 2000 tonnes of Poppy Straw for one of the largest global producers of Narcotic Raw Material (NRM) during 2017. There is potential for this arrangement to be extended beyond the initial term.

This is a key milestone for TPE as it enables the company to:

1. Demonstrate to industry participants that TPE's low cost technology enables NRM processing to be outsourced to TPE's Melbourne facility at a lower cost than the in-house processing of many NRM industry participants processing poppy straw internally.
2. Outsourcing for other NRM manufacturers increases volume through TPE's Melbourne facility, improving operational leverage and profit, without the associated increase in working capital requirements otherwise required.
3. The addition of toll processing adds to internal production, further mitigating TPE's agriculture risk as part of TPE's raw material inputs are now provided by its toll partner.

Discussions with other industry participants are in progress and may lead to further toll processing opportunities.

A combination of the 2000 tonnes to be toll processed by TPE and the 2000 tonnes approved to be imported from Hungary, together with the recent Australian harvest, provides TPE access to approximately 100 tonnes of NRM in poppy straw for processing in 2017 should there be sufficient customer demand.

For more information please contact

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About TPI Enterprises Limited

TPI Enterprises Limited (TPE) is one of three licensed poppy processors in Australia, and the only Australian-owned company. It is one of eight processors worldwide producing Narcotic Raw Material for the international pharmaceutical industry. TPE has developed an innovative, efficient and environmentally-sustainable extraction and purification manufacturing process which allows TPE to deliver a highly competitive pricing platform.