



RIDLEY SECURES NOVACQ™ PRODUCTION SITE IN THAILAND

Melbourne, Australia, 22 June 2017:

Ridley Corporation Limited (**Ridley**) (**ASX: RIC**) today advises that it has executed a long term lease over 14 ponds in Chanthaburi, Thailand for the production of Novacq™.

Ridley has secured a ten year lease (six plus four years at Ridley's option) over 14 ponds and adjacent infrastructure land located within the Sureerath Prawn Farm commencing on 1 July 2017. The ponds, covering an area of 10.9 hectares in total and adjacent to the Chanthaburi feedmill, in which Ridley acquired a 49% ownership interest in January 2016, have previously been used for growing prawns. The ponds are being converted for the production of commercial quantities of Novacq™, a process which involves levelling and lining of the pond floor and the introduction of dedicated production, harvesting, dewatering and drying equipment, which is being developed at Ridley's domestic Novacq™ production site in Yamba, NSW.

For each of the 14 ponds we are targeting approximately 50 metric tonnes of pure (dry weight) Novacq™ production per annum. With annual Novacq™ production in the vicinity of 700 metric tonnes and assuming a 5% feed inclusion rate, the leased area would be able to supply enough Novacq™ to produce c.14,000 tonnes of prawn feed. The estimated committed spend for these initial 14 ponds is AUD\$7.5 million.

The owner of the Sureerath Prawn Farm is Khun Prayoon Hongrath, Ridley's Chanthaburi feedmill joint venture partner and a leading expert in the Thailand prawn industry. The Sureerath Prawn Farm is also Ridley's preferred location to conduct controlled feed trials on diets formulated by Ridley with Novacq™ inclusion and produced by the Chanthaburi feedmill. The results of trials currently underway at Chanthaburi using Yamba-produced Novacq™ are expected to be available in the first quarter of the next financial year.

Having received provisional approval from the Board of Investment in Thailand (BOI), Ridley has established Ridley Corporation (Thailand) Co. Ltd., a wholly owned entity incorporated under the laws of the kingdom of Thailand. This entity is the corporate vehicle in Thailand through which Ridley's Novacq™ related activities are being conducted.

The production, harvesting and drying of Novacq™ and its sale to the Chanthaburi feedmill for inclusion in the diets will be at arm's length i.e. will be 100% owned and controlled by Ridley. Sales of Novacq™-inclusive prawn feed by the feedmill joint venture to the local prawn farmers, including the Sureerath Prawn Farm, will be on a full commercial basis, thereby preserving the maximum value for Ridley shareholders.

Strong progress has been made over the last 24 months regarding Ridley's applied Research and Development efforts, with prawn feed product trials including the Novacq™ ingredient consistently demonstrating improvement in feed conversion rates from accelerated growth, and also improvements in survival rates¹ from enhanced resistance to the challenge of viral/bacterial attacks.

Ridley CEO Tim Hart commented "This is a very exciting development for us in the execution of our strategy to service the Asian prawn feed market. A full product offering incorporating locally produced Novacq™ in the feed produced at our Chanthaburi feedmill, will be using Ridley diets and knowhow. We have partnered with the region's most prominent and renowned local prawn farmer, with whom we can conduct the required scientific trial studies. We will update the market as soon as we have reliable and validated data from these trials, and expect them to demonstrate the efficacy and commercial benefits of feeding the prawn biomass a range of Ridley-formulated diets, including an appropriate percentage of Novacq™ in the bill of material. An inclusion range of 5-10% is currently thought to be appropriate, however further work is still to be conducted to fully understand the optimum inclusion rate from a growth, health and protein-substitution perspective."

Mr Hart concluded "As well as pushing forward with the first production of Novacq™ in Thailand, we continue to make good progress at Yamba in New South Wales with continuous improvements being made in our production and harvesting technology, which we will then transport to Thailand. As previously announced, we have secured the long term supply arrangements for the equipment and technology needed to manage the entire Novacq™ production cycle and harvest the Novacq™ material into a form suitable for inclusion in the prawn feed diets."

For further Ridley information please contact:

Tim Hart
Chief Executive Officer
Ridley Corporation Limited
+61 (03) 8624 6529

¹ Novacq™ Australian farm trials delivered a 37% uplift in prawn survival rates (3 April 2017)

Novacq™ background information

Novacq™ is a natural prawn feed ingredient additive that has generated worldwide interest and is derived from a marine microbial process which involved over 10 years of research and development by Australia's CSIRO. In addition to the pre-existing territories of Australia, Indonesia, Malaysia, the Philippines and Thailand, the Licence Agreement was extended in March 2017 to cover improvements to the Novacq™ Technology and new applications, including potentially using Novacq™ as a feed additive for species other than prawn and crustaceans.

The territory licensed to Ridley was also extended in March 2017 to include the whole world excluding China and Vietnam, which are already licensed by CSIRO to other parties². Ridley does however, retain its entitlement to market and sell Australian Made diets incorporating Novacq™ into China and Vietnam.

Ridley and CSIRO have entered into an Alliance Agreement, with the objective of conducting collaborative research that will maximise the development of new Novacq™ applications beyond the existing application for prawn and crustaceans. Under the terms of the Alliance Agreement, Ridley will contribute annual cash funding of A\$1 million to CSIRO, whereby CSIRO will correspondingly match the equivalent A\$1 million of funding for the parties to work together for the purpose of further advancing collaborative research relating to the existing Novacq™ technology.

The alliance with CSIRO will be looking to develop a comprehensive platform of Novacq™ data, to establish rapid bio-test assays to demonstrate Novacq™ activity, to understand this activity spectrum and mechanisms of prawn growth, and ultimately determine the bioactive(s) within Novacq™. All of these activities will contribute to a characterisation profile which will then be used to identify those species most likely to be positively impacted by the inclusion of Novacq™ into their feed. Under the Alliance Agreement, Ridley has the option to extend the term of the relationship for an additional period of up to five years.

Novacq™ is a ground breaking novel feed ingredient that acts as a metabolic stimulant when included in prawn feed diets. It increases the prawn's food intake and permits the animal to utilise the feed more efficiently. Because of this, the prawn will grow faster (gain more weight and/or provide shorter harvest cycle times) and use less feed (improve feed conversion). Novacq™ can also be used to help replace scarce fishery resources such as fish meal in prawn diets, which is important for consumers, retailers and overall industry sustainability.

It has been Ridley's long-term goal to develop a range of sustainable prawn feeds which eliminates the dependency on ingredients sourced from wild caught fish, previously a mainstay of the prawn feed industry. At Ridley, this goal is achieved in part by using by-products from high quality fish which have been processed or canned for human consumption. However, the majority of the world's fish meal used by responsible feed manufacturers is made from sustainably managed wild caught whole fish which are trawled from the oceans, and this source is proving very costly for prawn farmers.

² The extended territory under the amended Licence Agreement is exclusive to Ridley except in respect of India, which converts to an exclusive entitlement on 1 January 2018.

Fish meal has more than doubled in value in recent times, which is a function of supply and demand. Aquaculture is growing and as such, so is the demand for fishmeal. Strict management of the wild fisheries stocks has resulted in a reduction of fish meal availability. Novacq™ will greatly assist in reducing the reliance on fish meal produced from wild caught fish.

For further Novacq™ information please refer to:

Ridley Corporation Limited informative video on its novel raw material ingredient Novacq™:
<http://www.ridley.com.au/investors/novacq>

ASX releases:

22 January 2016 "Ridley secures site for domestic Novacq™ production."

29 January 2016 "Thailand feedmill investment advances Novacq™ strategy."

30 November 2016 "Novacq™ presentation - UBS Emerging Companies Conference."

16 January 2017 "Ridley secures Novacq™ production & harvesting technology."

21 March 2017 "Ridley releases Novacq™ information video."

27 March 2017 "Ridley & CSIRO enter Novacq™ Research Alliance and extend Licence."

3 April 2017 "Novacq™ trials deliver 37% uplift in prawn survival rates."

28 April 2017 PAC Partners "Controlling your Destiny" conference presentation

ABC Landline (April 2014) article at:

<http://www.abc.net.au/landline/content/2014/s3984247.htm>

CSIRO Novacq™ article (November 2015) at:

<http://www.csiro.au/en/Research/AF/Areas/Aquaculture/Better-feeds/Novacq-prawn-feed>