

28 August 2015

ASX Announcement

Shareholder Update August 2015

Dear Shareholder,

Plentex Limited has reached an exciting time in its evolution. After investigating a number of potential business paths, the Company has formulated its 'go forward' business plan and is well advanced to become an innovative aquafeed and fish production enterprise. Our operations for this business are based in the Philippines. Our objective is to capture a substantial opening in the US\$58 billion aquafeed industry to target the burgeoning Asia Pacific market and to leverage our aquafeed intellectual property by establishing a co-located aquaculture business.

When fully developed, our operations will comprise a fully integrated feedstock plant, an aquafeed plant, fish farming and a fish processing facility. The feedstock plant and fish farming will be the first to come online and feature low capex and opex, low cost inputs and offer a quick pathway to revenue generation. The development opportunities in the Philippines are vast and our operations will fill an urgent local market need as well as offering significant export potential.

How did this strategy come about?

Before I expand on where we now stand, let me first recap how we have reached this point. It began with identifying algae as a sustainable resource for multiple industries through an investment in Victorian based private company, Blue Sundial Pty. Ltd. in 2009. Plentex's subsequent investigations revealed that the most promising commercial opportunities available to the Company for algae were in high value nutraceutical and pharmaceutical markets and as fish meal/fish oil replacements in aquafeeds.

Over several years both pathways were developed in tandem. In late 2013, the Company's biotechnology pathway was significantly advanced when the opportunity emerged to acquire an existing range of algae-based TGA approved anti-fungal products from Biovite Australia Pty. Ltd. that could generate immediate cashflow. A spin-off company, Xerion Limited, was formed in May 2014 to finance and develop the Company's expanding biotechnology-related business interests (for more information see www.xerion.com.au).

This step allowed Plentex to focus on the development of business opportunities in the Philippines and a subsidiary company, Plentex Philippines Inc. ("PPI") was formed late last year.

Market opportunity

As wild fish stocks are depleted through overfishing, fish farming is booming. Aquaculture already provides over half of the fish consumed globally - or nearly 63 million tonnes – and has grown faster than any other form of food production to become a US\$170 billion industry. This in turn is driving the market for aquafeed, forecast to reach US\$107 billion by 2018.

Asia Pacific, where seafood is an integral part of the diet, is the epicenter for this growth. South Asia, South-East Asia, China and Japan are projected to account for 70% of global fish consumption by 2030. The region already accounts for over 65% of total aquafeed consumption

because of the widespread adoption of aquaculture. It is worth noting that feed costs account for a significant portion, ie. up to 75% of aquafarmers' total production costs, depending on the species being farmed and of some other factors.

Why the Philippines?

Plentex has chosen the Philippines as its base of operations for a fully integrated aquafeed and aquaculture business. The Philippines offers indisputable economic advantages over Australia and other countries for achieving our objectives, particularly in terms of developmental time frames and costs.

Aquaculture in the Philippines has a long history and contributes significantly to the country's food security, employment and foreign exchange earnings. The selected site for our operations on the island of Leyte is well situated for export to large Asian markets being only 10km from the port city of Tacloban and 20km away from its major airport.

The strategically located site has been approved by the Philippines Economic Zone Authority (PEZA) affording a range of financial and commercial advantages. PEZA registration provides attractive economic incentives, no GST or duties, and an income tax holiday amongst its benefits.

Importantly, the Company has established a strong working relationship with the Philippines' Bureau of Fisheries and Aquatic Resources (BFAR) and has ready access to low cost skilled labour and existing infrastructure.

Business Model

PPI's strategy is to fully integrate a feedstock plant, aquafeed plant, fish farming and fish processing facility to address substantial local and export opportunities in the Asia Pacific Region. Each component of the PPI operations produces commodities that are highly profitable in their own right with existing markets. Furthermore, each component provides inputs for the next plant in the cycle with concomitant cost benefits.

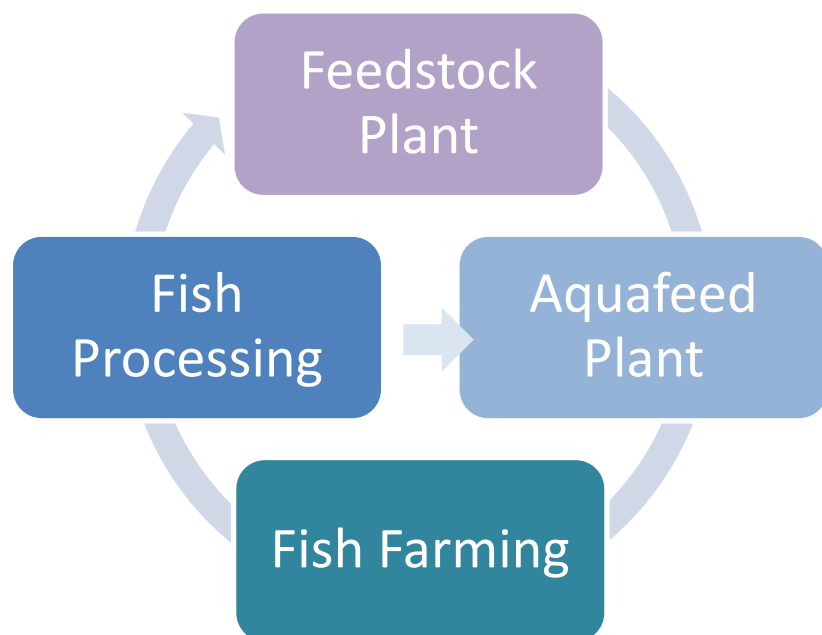
Feedstock Plant

The purpose of the Feedstock Plant is to develop low cost, local raw ingredients as inputs for the Aquafeed Plant. A number of crops are grown locally that are suitable inputs to aquafeed such as rice, cassava, copra and sweet potato. The first phase of plant development will consist of the installation of rice dryer and mill and a cassava dryer and mill and product packaging facilities. The second phase will be a fish meal and oil plant to reliably supply these increasingly costly and high demand ingredients for our own needs with any surplus going to local and export markets.

Aquafeed Plant

The Aquafeed Plant, which will be developed at a later point of time will produce quality aquafeed for the local and export markets. The plant will support PPI's fish farming capability by providing reliable high quality feed to specification resulting in substantial cost savings.

Key inputs will be delivered by the Feedstock Plant such as fish meal, fish oil, rice bran, cassava meal/tapioca which will be used together with other readily available, locally sourced protein inputs such as, sweet potato and certain seaweeds.



Fish Farming and Processing

PPI has access to prime offshore aquaculture lease areas in close proximity to other company infrastructure and has recently acquired a former BFAR hatchery. PPI aims to be a high volume, profitable producer of quality whole and processed barramundi and other high value species for the premium end of the domestic and South East Asian markets.

PPI plans to establish and operate its own fish processing plant when fish production reaches commercial levels. Processing will value-add to the fish produced by PPI, to optimise market opportunities. The close proximity of the planned fish processing plant to the Tacloban airport provides short duration transport of product to Manila and export destinations. To complete the cycle, fish processing waste will go to the Feedstock and/or Aquafeed Plants.

Progress to date

The Company is well advanced in realizing its plans and key enabling relationships are in place with industry experts to ensure optimal delivery of the projects.

To facilitate site leases and acquisitions, Plentex has established a second Philippines corporation, Plentex Realty Inc. ("PRI"). Highly credentialed Philippine nationals have been appointed to the PPI and PRI Boards and a management team established.

A long term lease of a plant site (approx. 1 hectare) from the City of Tacloban is expected to be signed later this year (Suhi Lot 1). An adjoining 4½ hectare block (Suhi Lot 2) has already been purchased by PRI and site development works are in progress.

A decommissioned BFAR fish hatchery at Villareal (35kms from Suhi Lots 1 and 2) has been purchased by PRI. Negotiations are in progress to purchase an adjoining 2 hectare block to facilitate expansion.

Financial models for the Feedstock Plant and Fish Production have been developed by an external consultant. Victorian based, Austratek Designs Pty Ltd is providing project management and engineering for the Feedstock Plant. A Philippine based Construction Manager (Marmita Design and Builders) has been engaged and turnkey contracts for the manufacture of the rice and cassava driers and milling facilities (Agri Component Corporation - Philippines) and the fish meal/oil plant (ASTW - Thailand) are being finalised.

If you would like to learn more about these exciting developments I urge you to visit our website www.plentex.com.au.

Where to from here?

Plentex is raising approximately \$5 million in two rounds to fund development of the project and to this end, a comprehensive prospectus is being prepared. Upon successful recapitalisation, the Company will seek re quotation of its securities on the ASX. Further details in relation to Plentex's capital raising plans will be announced shortly.

For and on behalf of
PLENTEX LIMITED



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