



12 September 2017

ASX Announcement

AEB ramps up cannabis growing operations in Uruguay

Plant-based health and wellbeing company Algae.Tec Ltd (the “Company” or “AEB”) (ASX: AEB) is pleased to advise that cannabis growing operations in Uruguay are continuing to be scaled up under the Collaboration and Licensing Agreement (the “Collaboration”) with Winter Garden Biosciences (“Winter Garden”).

Following the commencement of open-field planting of the first 10-acre cannabis crop last week (see ASX release dated 7 September), the Collaboration has now commenced propagation of Sativa strain cannabis seeds in a controlled environment at its laboratory facility in Montevideo, Uruguay (see Figures 1 & 2).

Cannabis plants gestated via the controlled growing process will provide the seeds and necessary feedstock for future crop plantings, underpinning the Collaboration’s future expansion plans. In the short-term, three greenhouses will initially be installed adjacent to the first 10-acre crop plantation with the first having been constructed and internal nutrient, watering and other facilities now being installed.

Additional benefits of the controlled environment growing process include accelerated growth rates, more frequent crop cycles (in excess of four per year), substantially higher oil yields upon extraction, and a consistently high-quality finished product.



Figure 1: Controlled environment micro propagation, Montevideo



Figure 2: Semi controlled greenhouse growing, Montevideo



Commentary

Algae.Tec Ltd's Managing Director, Peter Hatfull commented *"We are pleased to report that significant progress continues to be made on the ground under our partnership with Winter Garden, as the Collaboration takes the steps required to establish a multi-faceted cannabis growing operation in Uruguay.*

"The implementation of this controlled growing process provides a guaranteed feedstock for future expansion, and enables the Collaboration to control the entire fully-integrated cannabis value chain from propagation through to sale of the end product.

"We look forward to providing our shareholders with further updates on both our controlled and open-field growing programs respectively as we enter this exciting phase in our development."

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About Algae.Tec Limited (ASX: AEB)

Algae.Tec (ASX: AEB) is a specialist producer, focused on developing technology that captures waste carbon dioxide to produce commercial quantities of a range of plant derived products for supply to three key markets:

- Medicinal cannabis
- Algae-based nutraceuticals
- Animal feed and aquaculture markets