

4 January 2017

ASX Announcement

Algae.Tec is pleased to inform shareholders of the announcement this morning by Australian Federal Government Health Minister Greg Hunt that the export of medical cannabis products will be permitted, and that regulations will change once Parliament resumes in early February.

This is extremely positive news for Algae.Tec and the whole medicinal cannabis industry. The Company is now able to invest knowing that the rapidly growing world market is available for quality Australian grown products.

This announcement underpins Algae.Tec's strategy to increase its product base by investing directly into the production of medicinal cannabis. The Company has made a number of announcements recently detailing strategic investments into the vertical integration of all elements of its strategic plan from seed to market.

The Ministers release is detailed below.

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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



The Hon. Greg Hunt MP
Minister for Health

MEDIA RELEASE

4 January 2018

Australian Government to allow medicinal cannabis exports

In an important step for the development of the medicinal cannabis sector and to secure long-term supplies for Australian patients, the Federal Government will permit the export of medicinal cannabis products.

This follows extensive consultation that was undertaken last year.

Our top priority is to ensure a safe quality supply of medicinal cannabis for Australian patients.

This decision will help both the domestic supply and Australian producers by strengthening the opportunities for domestic manufacturers.

The Turnbull Government is committed to ensuring a safe, quality supply of medicinal cannabis is available to Australian patients under proper medical supervision.

In an additional move to support both patients and manufacturers, the Turnbull Government will now permit the export of Australian manufactured medicinal cannabis products.

We are making these changes because the expanding domestic medicinal cannabis products industry is facing increasing competition from imports.

And allowing the export of medicinal cannabis products will help the developing domestic market to grow further.

We believe it is appropriate to amend the regulations governing the export of cannabis products to provide a level playing field.

But this change will not come at the expense of Australian patients.

In fact, by helping the domestic manufacturers to expand, this in turn helps to ensure an ongoing supply of medicinal cannabis products here in Australia.

It will be a condition of any licence authorising export that medicinal cannabis products be made available, when and if required, to Australian patients first.

Exports were not initially allowed in the scheme because Australia was focussed on gaining the confidence of the international community in its cultivation system and other controls.

I'm pleased that the International Narcotics Control Board reported favourably on Australia's framework in its 2016 Annual Report.

We are continuing to make it easier for doctors to access medicinal cannabis products more rapidly, while maintaining strict safeguards for individual and community safety.

We want a robust Australian medicinal cannabis industry so that doctors have safe, quality domestic products that they can confidently prescribe to their patients.

Doctors can apply under the Therapeutic Goods Administration's Special Access Scheme Category or via an Authorised Prescriber to legally prescribe medicinal cannabis products.

(ENDS)