

RESEARCH AGREEMENT EXECUTED WITH MICROBIAL CELLULOSE SUPPLY PARTNER

Highlights:

- Microbial Cellulose (MC) supply partnership deepens with research agreement
- Research underway to assess best MC growing conditions and processing methods for scale-up
- Agreement paves the way for a binding agreement to develop a commercial growing facility
- Nanollose to retain all Intellectual Property resulting from the research

Nanollose Limited (ASX:NC6) (“Nanollose” or the “Company”) is pleased to announce that in addition to the non-binding Memorandum of Understanding (“MoU”) signed in April 2018, a binding research agreement (“Agreement”) has been executed with Indonesian food producer, PT Supra Natami Utama (“PT SNU”).

The agreement will accelerate research into the best growing conditions and processing methods of microbial cellulose before scaling up to commercial production. The agreement also takes Nanollose a step closer towards a binding agreement for developing a commercial scale factory to produce textile grade microbial cellulose, which can then be transformed into fibre using Nanollose’s technology.

Securing large quantities of microbial cellulose is critical in that it will allow Nanollose to provide brands, retailers and manufactures with enough raw material to create commercial quantities of our Tree-Free Nullarbor™ fibre. Achieving this scale will eventually set the platform for future revenues from the raw material supply chain, the licencing of our technology and royalties from end users.

As Nanollose prepares to scale-up microbial cellulose production, the Company is also pleased to announce that, as a result of this Agreement, PT SNU has employed a scientist dedicated solely to Nanollose’s R&D. This scientist will also oversee the processing of the Company’s 250kg stockpile of raw microbial cellulose into a form suitable for the production of Nullarbor fibre.

Under the terms of the Agreement Nanollose retains all intellectual property and PT SNU has first right of refusal to work with Nanollose to jointly develop a commercial scale factory and supply chain for microbial cellulose in Indonesia.

Nanollose Managing Director Alfie Germano said; “This is an encouraging next step. Our partner is providing Nanollose with a broad foundation to help develop the technology and build a supply chain. In the near future we see more formal agreements between the two companies to commence commercial supply”.

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For further information, please contact:

Alfie Germano

CEO & Managing Director

Email: alfie.germano@nanollose.com

Phone: 0411 244 477

Michael Wills

Media and Investor Relations

Email: michael.wills@nanollose.com

Phone: 0468 385 208

ABOUT NANOLLOSE

Nanollose Limited (ASX: NC6) is an innovative Australian company that uses a low cost and eco-friendly fermentation process to grow fibres that could become a sustainable alternative to conventional plant-derived cellulose fibres. The Company's process, which uses streams from various large-scale industries like sugar, wine and food, has the ability to produce 'Plant-Free' Cellulose. Cellulose is the hidden building block polymer most consumers know nothing about, but forms a huge part of items used in their everyday life such as clothing, paper and hygiene products.

ABOUT PT SUPRA NATAMI UTAMA

PT Supra Natami Utama is one of Indonesia's largest and most established producers of coconut food, beverages and cosmetic products and has multiple facilities across Indonesia with access to significant quantities of coconut by-products and waste streams.

Through this partnership, Nanollose has gained access to these waste streams for use in the production of textile grade microbial cellulose on an industrial scale, which can then be transformed by using Nanollose technology into fibres. Nanollose and PT SNU also started to explore, unlock and develop other sources of liquid organic waste (including beer and other fermentable liquids) as feedstocks for additional microbial cellulose.