

13 February 2014

ASX Announcement Market Update

Australian Natural Proteins Limited (Company or AYB) provides the following update to the market in relation to its proposed capital raising and the proposed sale and lease back of its properties.

Capital Raising

On 22 October 2013, the Company announced its intention raise up to \$10,000,000 to provide working capital and for expansion of its business. AYB has appointed Quest Securities (Australia) Limited as its corporate advisor for the purposes of the fund raising. Discussions with potential investors are progressing and the Company will keep the market informed of developments.

Sale, Leaseback & “Put & Call Options” over Properties controlled by the Company

On 22 October 2013, the Company also announced that existing properties that are owned or controlled by the company will be part of a ‘sale and leaseback incorporating “put and call options” whereby the properties will be sold to independent third party(‘s) and leased back for a period of 10 years.

Subject to completion of its proposed capital raising and due diligence of the purchaser, the Company has received notice of a purchasers intention to make an offer for the properties in accordance with the terms set out above, following completion of due diligence. Once a final offer is made for the properties on terms acceptable to the Company a further update to the market and shareholders will be made.

The funds raised from the sale and leaseback of its properties and capital raising will enable AYB to pursue its strategic objective of a fully integrated “paddock to plate” sheep and lamb meat production company through the purchase of additional lambs and sheep for breeding, fattening and processing and will also enable the company to reduce debt

Quarterly Cash Flow Report

On 31 January 2014, the Company released its quarterly cash flow report (Appendix 4C) for the December 2013 quarter. The report showed negative operational cash flow of \$200,000 for the quarter and cash on hand at 31 December 2013 of \$389,000.

The Company expects its operational cash flow to improve in the March 2014 quarter as further proceeds from the sale of crops and finishing of lambs are received.

In addition, the Company and its adviser Quest Securities are confident of finalizing funding from the proposed capital raising and/or sale and lease back of its properties within the next two quarters to ensure the Company has sufficient funding to finance its ongoing operations.

The Company confirms it is in compliance with the ASX Listing Rules. In particular, ASX Listing Rule 3.1.

ENDS.

For further information please contact:

Raymond Taylor
Managing Director
+613 9580 4328