



ASX CODE: MCA

ASX ANNOUNCEMENT

30 January, 2017

Vertically integrated aquaculture company, Murray Cod Australia to commence trading on the ASX

Highlights

- **Murray Cod Australia to commence trading on the ASX under the ticker code “MCA”**
- **Capital raising closed early and was oversubscribed, raising the maximum subscription amount of \$10 million**
- **Murray Cod Australia is the amalgamation of three established aquaculture businesses to create a vertically integrated producer for the breeding, growing and supply of Murray Cod**
- **Murray Cod Australia’s premium produce is already in high demand from top restaurants across Australia and in global export markets**
- **Company has existing supply and distribution agreements with large wholesalers in NSW and Victoria**
- **Large and growing market opportunity: Australian seafood consumption is expected to rise by approximately 5% per capita by 2021**
- **Murray Cod uses innovative farming techniques focused on biosecurity, existing irrigation infrastructure, lowering costs and environmental footprint**
- **Company aims to become the largest producer of Murray Cod in Australia, with capital raising funds to be used to expand the business**

Murray Cod Australia (ASX:MCA or the ‘Company’) is pleased to announce that its shares will commence trading on the Australian Securities Exchange (ASX) tomorrow under the code “MCA”. This follows the successful acquisition of three established aquaculture businesses by Timpetra Resources (which has now been renamed Murray Cod Australia).

Murray Cod Australia’s \$10 million capital raising being oversubscribed closed early, putting the Company in a strong position to drive the growth of the newly integrated aquaculture business.

Murray Cod Australia is the amalgamation of three established aquaculture businesses creating a vertically integrated producer for the breeding, growing and supply of Murray Cod to domestic and export markets. The business is located in the Riverina region of NSW and uses an innovative farming technique to produce fish for the premium end of the fin fish market.

One of the businesses acquired has been selling Murray Cod to wholesale markets in Sydney and Melbourne for the past three years and have agreements with two wholesale distributors to market and supply the produce to domestic markets in NSW and Victoria.

The Company currently has production capacity of around 90,000kg per annum and aims to increase this to 1,000,000kg by 2021, with the objective of making the Company the largest and dominant Australian supplier of Murray Cod. This increase in production will also allow the Company to decrease its average production cost through economies of scale, aiming to increase its gross sales margin.

Market opportunity

Global fisheries and aquaculture is considered to be one of the fastest growing primary industries in the world, having grown at an average annual rate of 3% over the past decade¹. Aquaculture currently provides nearly half of all fish consumed by humans and is projected to provide 62% of global seafood by 2030²

In Australia, seafood consumption is expected to rise by approximately 5% per capita by 2021. Current growth projections in Australia's fishing industries (including aquaculture) estimate the industry will grow by only an annualised 2.7% through to 2021³.

The Murray Cod market in Australia is still in its infancy, with existing production limited to small-scale private enterprises. It is estimated that present aquaculture production of Murray Cod is less than 176,000 kg per annum in NSW⁴. Murray Cod farming also has high barriers to entry. The fish is unique to the Murray Darling basin and grows in no other river system in the world - there is currently no wild catch of Murray Cod for commercial sale.

The combination of growing demand and limited competition with high barriers to entry means that Murray Cod Australia will aim to generate a premium for its produce both domestically and increasingly into high margin global export markets in Asia.

Premium product

Murray Cod is native to Australia and occurs naturally in the freshwaters of the Murray Darling Basin. It is the largest freshwater fish in Australia and one of the largest in the world.

Murray Cod is highly sought after by consumers and chefs due to its high protein content and versatility. The wholesale market price of Murray Cod attracts a premium over other popular table fish such as salmon and tuna, particularly if farmed under the right conditions.

Murray Cod Australia's produce, produced in the fish's natural habitat, occupies the premium end of the Murray Cod market due to its superior quality over produce grown in traditional recirculating aquaculture systems (RAS).

The produce from Murray Cod Australia has already been recognised by top chefs across Australia, and has generated a premium price for its fish from selling to leading restaurants in Sydney and Melbourne.

Innovative farming technique

Murray Cod Australia uses an innovative farming technique with market-leading bio-security techniques while being environmentally friendly and sustainable. The Company has developed a land-based aquaculture model, using dams and irrigation water, which allows it to control the breeding, feeding, water conditions and biological inputs throughout the entire lifecycle of the fish, providing confidence for customers in the quality and sustainability of the produce.

¹ The State of World Fisheries and Aquaculture 2014, Food and Agriculture Organization of the United Nations, Part 4

² <http://gaalliance.org/what-we-do/why-it-matters/>

³ <http://www.ausfoodnews.com.au/2016/01/13/ibis-reports-soaring-seafood-consumption-not-matching-growth-in-australian-fishing-and-aquaculture-industries.html>

⁴ NSW DPI

By using a land-based aquaculture model, Murray Cod has one of the lowest environmental footprints in the industry as it utilises existing irrigation resources and infrastructure from the Murrumbidgee irrigation area.

The use of the existing irrigation infrastructure means the same irrigation water can effectively be used twice across two industries in the region: firstly, through the fish ponds and secondly, this nutrient enriched water can be used to irrigate crops or pastures on the farms. For contract growers, this may enable two products (fish and crops) for every megalitre of water used which improves overall water efficiency.

Use of funds

The funds raised from the capital raising will be used for the acquisition and planned development and expansion of the merged group. The Murray Cod Australia group is made up of three existing businesses;

- **Silverwater Native Fish:** a hatchery of native cod and perch that has been operating for more than 20 years with customers including NSW and Victorian Governments.
- **Bidgee Fresh:** a grower of fingerlings to advance stockers and the developer of the unique cage system.
- **Riverina Aquaculture:** an established producer of high-quality Murray Cod that has developed a saleable production system for Murray cod in their native environment.

The Company will also have sufficient working capital to meet its growth objectives as it aims to expand its production capacity and sales and distribution channels. In addition to the sale of fully grown Murray Cod the Company also has plans to derive additional revenue from the sale or lease of its unique cage systems to contract growers, as well as to new Murray Cod growers entering the market and providing fingerlings to contract growers who will grow fish on behalf of the Company using proven methods and dam cage systems sold by the Company.

“There is huge growth potential for Murray Cod both domestically and across Asia and our produce is a highly valued commodity and a premium product that top restaurants are willing to pay top dollar for,” said Murray Cod Australia Chairman, Ross Anderson.

“We are positioned to become the largest and dominant supplier of Murray Cod and we are doing it in a way that is both environmentally sustainable and that utilises existing resources and infrastructure.”

Expansion of Management Team

The Company is pleased to announce the appointment of Dr Paul Van der Werf as Development Manager with the Company. Paul has been involved with the aquaculture industry at all levels from private to government advisory boards for over 17 years. Paul is also the research coordinator for Australia Aquatic Biological P/L and Past President of the NSW Aquaculture Association. Paul specializes in engineering and financial planning of integrated aquaculture systems and is the lead consultant/engineer of Recirculating Aquaculture technology.

Expansion of production capacity

The Company is pleased to confirm that it has signed a non-binding heads of agreement to lease a farming property in Bilbul New South Wales, which neighbours its existing property, for the purposes of constructing six additional grow out dams each with an anticipated grow out capacity of 18,000 kilograms of Murray Cod per annum. The construction of these dams has already commenced and forms part of the Company’s expansion plans and will add production capacity of over 100,000 kilograms to existing operations. The Company will update shareholders as these plans progress.

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