

Clover Corporation Limited ABN 85 003 622 866

ASX ANNOUNCEMENT

15 August 2011

CLOVER AND CSIRO TO DEVELOP NEXT GENERATION ENCAPSULATION TECHNOLOGY

Clover Corporation Limited (ASX: CLV) and the CSIRO have signed an agreement to undertake a targeted three-year research program to develop the next generation of encapsulation technology directed at infant formula and medical food applications.

This \$1.2 million three-year program is being undertaken under the auspices of the CSIRO Australian Growth Partnership Program (AGP) and will utilise the intellectual property and expertise of both Clover Corporation and the CSIRO. The AGP program assists the delivery of research by high-potential small-to-medium size enterprises where this aligns with the CSIRO's Flagship programs. The new agreement builds on over 15 years of successful collaborative efforts between Clover Corporation and CSIRO that have focused on the development and commercialisation of functional ingredients.

The AGP research demonstrates Clover Corporation's continuing commitment to identifying market opportunities and providing differentiated proprietary products that meet the needs of manufacturers and consumers.

The nutritional importance of docosahexaenoic acid (DHA) and other essential dietary fatty acids is reflected in the strong market demand for their inclusion in functional and stable ingredients that can be used in applications such as infant formula, medical foods and pharmaceuticals. The continuing challenge however, is how to stabilize these fragile nutritional bioactives, alone or in combination, so they can be used in the broad range of applications required by consumers and manufacturers.

The AGP research program with the CSIRO will investigate how nutritional bioactives can be combined in formulas with the essential omega-3 fatty acid (DHA) to improve their stability in processing and to enhance their nutritional impact. Encapsulation matrices will be developed that can protect the bioactives during product manufacture, influence their absorption or bioactivity, and to assist their physiological performance.

Clover Corporation is excited about the commercial opportunities and the potential development of new products that will result from the collaborative AGP program over the next three years.

ABOUT CLOVER CORPORATION

Clover Corporation through its subsidiary Nu-Mega Ingredients Pty Ltd is a leading global manufacturer and supplier of encapsulated ingredients, particularly for infant formula and medical foods. These encapsulated products contain essential fatty acids from marine and/or algal sources and/or other bioactive nutrients delivered using a variety of proprietary protective technologies utilised by Nu-Mega Ingredients.

ABOUT THE CSIRO

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) is Australia's national science agency and one of the world's largest and most diverse research agencies. One of its primary roles is to provide new ways to benefit the Australian community and the economic and social performance of a number of industry sectors through research and development.

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