

**ASX RELEASE**

SHAREHOLDER UPDATE

This document was released to the shareholders attending the Annual General Meeting today.

Despite the default of OPM the board remains confident that further support and funding will be available to the company over the coming months which will permit the company to undertake its ambitious plans for SuperSorghum in 2015.

SuperSorghum Licence

Until further funding is available the Company is not in a position to pay the exclusivity fee for the SuperSorghum licence however we have an agreement with SOL Holdings (the worldwide holder to the rights of SuperSorghum) to permit us to continue to develop the business on an exclusive basis in Australia whilst this funding is resolved.

SOL Letter of Understanding

The recently exchanged letter of understanding with SOL in respect to the development of the SuperSorghum business and capital needs of A1 provides great comfort for the efforts to date and for the future.

New Trials of SuperSorghum

A1 has arranged new trial plantings of SuperSorghum in the Burdekin Valley in northern Queensland, in the Ord Valley at Kununurra in northern Western Australia, at Katherine, Adelaide River and Douglas Daly in the Northern Territory. At Katherine and at Kununurra test planting is taking place on government agricultural research stations. The governments of Western Australia and the Northern Territory are supporting an expansion of export oriented agricultural products and we are particularly excited about the prospects available to us in the Ord River valley in WA and throughout NT.

Justin Stone (African Mahogany), Charlie Nakamura (A1), Gordon Coward (African Mahogany) and Yukio Kawamoto (SuperSorghum –SOL Japan) discussing growing SuperSorghum at Douglas Daly NT



The focus for Kununurra will be the use of SuperSorghum for the production of a sugar syrup which will be exported to China for the production of Baijiu a Chinese alcohol. Baijiu is by far the world's largest spirit category by sales—accounting for US\$92.4 billion in 2012, according to the International Wine and Spirit Research Group. That was well above the second-most popular drink, vodka, which saw US\$48.9 billion in sales. Kimberley Agricultural Investments Pty Limited (“KAI”) (a Chinese owned company) (see <http://www.kai-australia.com.au>) is investing in over 20,000 hectares of irrigated land in the Ord Valley with its primary focus on the establishment of a sugar industry. A1 is seeking to demonstrate to KAI the substantial benefits of using SuperSorghum.



Pellets of stock feed in 32 kg bags and 1.2 tonne bulk bags ready for export to Indonesia from the Adelaide River pellet factory

In the NT the focus is upon the use of SuperSorghum for stock feed including pelletising for its use in feed lots. The most recently organised trial at Adelaide River includes the facility to produce test pellets of SuperSorghum stock feed. The high energy content of SuperSorghum we believe will produce excellent stock feed. The recent announcement by the Australian Prime Minister of the free trade agreement with China and the opening of the Australian cattle markets to China, particularly live cattle and the prospect of doubling the current export market

over the next few years opens up a significant opportunity for feedlot operations and the need for high end stock feed.

Mr Charlie Nakamura, Peter Kao and I have all been on several trips to Kununurra and the Northern Territory to discuss the cultivation of SuperSorghum. A further trip has been organised with senior officers of SOL for early December.

SOL has also provided its professional staff to assist the company with the discussions with each of the parties undertaking the trials. It has been important to commence the trials before the current wet season in the north. The wet will prevent ready access to each of the areas once it commences but if the crop is in the ground in advance of the first rains a season of high growth is almost assured. We are planning to get two crops from the trial in each location, one at the beginning of the wet and a second before the last rains fall at the end of the season.



Paddocks for SuperSorghum trials Ord River

Financial Position for the Future

Despite the default of OPM, 2015 will commence with the company in its best financial position for many years. We have a project of real potential and substance and new shareholders interested and excited by these developments. We have an excellent relationship with SOL and its staff and we look forward to building on that over the coming months and years. We are confident of releasing further information to the shareholders and the market over the coming weeks about further funding.

I thank all our shareholders for their support and I look forward with great enthusiasm to 2015.

Kind regards

A handwritten signature in black ink, appearing to be 'Peter Ashcroft', with a long horizontal line extending from the end of the signature.

Peter Ashcroft

Chairman