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ASX RELEASE

SUPERSORGHUM UP-DATE

A1 announces the commencement of the trial planting of SuperSorghum by the WA Department of Agriculture Research Station at Kununurra.

An initial planting in mid November has seen the plants germinate and commence to grow. A further planting this week will add further lines for further testing and trialling.

The focus of the tests is the amount of biomass created and the amount of sugar.



SuperSorghum being grown on the WA Department of Agriculture Research Station Kununurra December 2014

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The SuperSorghum tests form part of the Western Australian government support of the significant current and proposed investment by Kimberley Agricultural Investments Pty Limited ("KAI") in the Ord River valley in northern Western Australia.

KAI is seeking to create a new sugar industry in the area designed to supply sugar syrup for Baijiu production in China. Baijiu is a clear alcohol, which is distilled from sorghum, and is considered the national drink of China. It is also the world's most consumed spirit by volume. According to the International Wine & Spirit Research, baijiu accounts for more than a third of all spirits consumed globally.

As part of the process of re-creating a sugar industry on the Ord KAI purchased the disused sugar mill at Kununurra which when re-commissioned will again have a 60,000 tonne pa sugar production capacity. The medium term plan is, however to increase production of sugar syrup to over 300,000 tonnes pa. KAI has expressed long term plans of a 1 million tonnes but this would require up to 30-40,000 hectares of



sugar cane or 20-25,000 hectares of SuperSorghum. Currently KAI has available for immediate cultivation 7,000 hectares and is in the process of preparing a further 13,000 hectares for 2015-16.

A1 is seeking to demonstrate in the current trials the benefits in using SuperSorghum as the primary crop for the production of the sugar syrup. A1 maintains that SuperSorghum will produce 2 to 2½ times the amount of sugar as sugar cane or other competing varieties of sorghum on the same area of land pa.

A1 is also demonstrating to KAI its hybrid modelling recommendations to provide for production throughout the dry and the manner to best utilise the mill or any up graded mill. The Ord Valley has operating constraints because of the wet which is primarily the inability of harvesting any crop from January to March inclusive.

A1 is preparing a recommendation for a combination of hybrid varieties of SuperSorghum for the KAI in the Ord Valley.

A1 has also arranged further trial plantings at Adelaide River and the subsequent pelletising of the sorghum at the Adelaide Grazing pellet plant

Area of the proposed trial of SuperSorghum at Adelaide River. A summer storm approaches indicating the start of the wet season. December 2014



Further trials including recommended hybrids are to take place over the coming months.

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