



RIDLEY SECURES SITE FOR DOMESTIC NOVACQ™ PRODUCTION

Melbourne, Australia, 22 January 2016:

Ridley Corporation Limited (**Ridley**) (**ASX: RIC**) today is pleased to announce the execution of a long term lease agreement to secure a site for its domestic commercial scale production of the prawn feed ingredient Novacq™.

7.5 hectares comprising 7 fallow prawn production ponds adjacent to the Tru-Blu Prawn farm in Yamba, NSW have been leased by Ridley for a period of up to ten years for the domestic production of the prawn feed ingredient Novacq™, with a right of first refusal for Ridley to acquire the leased area.

Traditional prawn production ponds and infrastructure are well suited to be reconfigured by Ridley to produce and harvest the Novacq™ raw material in the large quantities required to effectively service the anticipated local demand for this novel and ground breaking feed ingredient.

Strong progress has been made over the last 12 months regarding Ridley's applied research and development efforts, with prawn feed product trials including the Novacq™ ingredient consistently demonstrating growth rate improvements in the vicinity of 40% or more, improving feed conversion rates and improving animal well-being via enhanced resistance to the challenge of viral/bacterial attacks and thereby increasing survival rates.

The Ridley plan is to initiate Novacq™ production at its Yamba site in a 0.1 hectare test pond, whilst conducting extensive pond works to initially develop three other ponds of 1 hectare each. Stage 1 production will supply the Ridley Aquafeed plant at Narangba, near Brisbane, with sufficient Novacq™ to commence servicing domestic demand and further overseas trials with appropriate inclusion rates in prawn feed diets. Funding for post-harvest processing systems, including packing systems, silo and shed storage, infrastructure and pond works up to an aggregate outlay of \$1.7 million, have been internally approved as the Stage 1 capital requirements for this commercialisation project. Stage 2 for the project will be to replicate the Stage 1 reconfiguration for the remaining 4 ponds to increase and optimise the commercial production capacity of the Yamba site.

Ridley Chief Executive Officer Tim Hart stated "We are delighted to have secured such an ideal location for our scale up activities. Our commercialisation efforts have been developing positively and we have been actively seeking to secure a suitable site capable of producing sufficient Novacq™ to satisfy our domestic market requirements. We can now accelerate our applied research and development, both here in Australia and in Asia, for this product which we believe can transform the prawn production industry on a world scale through the significant enhancements in prawn growth rates and prawn health."

"Once we have demonstrated the ability to produce and market Novacq™ as a value adding offering to domestic prawn farmers, we will look to take the expertise offshore in one or more of our territories comprising Thailand, Indonesia, Malaysia and the Philippines, all of which are covered by an exclusive sales and manufacturing licence with CSIRO," concluded Mr Hart.

For further Ridley information please contact:

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Novacq™ background Information

Novacq™ is a natural prawn feed ingredient additive that is derived from a marine microbial process which involved over 10 years of research and development by Australia's CSIRO. Novacq™ has generated worldwide interest and Ridley has secured the exclusive rights to produce and market the additive in Australia, Thailand, Indonesia, Malaysia and the Philippines.

Novacq™ is a ground breaking novel feed ingredient that acts as a metabolic stimulant when included in prawn feed diets. It increases the prawn's food intake and permits the animal to utilise the feed more efficiently. Because of this, the prawn will grow faster (gain more weight and/or provide shorter harvest cycle times) and use less feed (improve feed conversion). Novacq™ can also be used to help replace scarce fishery resources such as fish meal in prawn diets, which is important for consumers, retailers and overall industry sustainability.

It has been Ridley's long-term goal to develop a range of sustainable prawn feeds which eliminates the dependency on ingredients sourced from wild caught fish, previously a mainstay of the prawn feed industry. At Ridley, this goal is achieved in part by using by-products from high quality fish which have been processed or canned for human consumption. However, the majority of the world's fish meal used by responsible feed manufacturers is made from sustainably managed wild caught whole fish which are trawled from the oceans, and this source is proving very costly for prawn farmers. Fishmeal has more than doubled in value in recent times, which is a function of supply and demand; aquaculture is growing and as such, so is the demand for fishmeal. Strict management of the wild fisheries stocks has resulted in a reduction of fishmeal availability. Novacq™ will greatly assist in overcoming consumer concerns, as farmers will no longer have to rely on meal produced from wild caught fish.

Impressive growth results achieved from Ridley prawn diets using Novacq™ were proven first in tank trials with CSIRO in Australia, and more recently in Thailand. The results are now being mirrored in full scale commercial production trials in both Australia and Thailand this summer.

For further Novacq™ information please refer to:

ABC Landline (April 2014) article at <http://www.abc.net.au/landline/content/2014/s3984247.htm>

CSIRO Novacq™ article (November 2015) at:

<http://www.csiro.au/en/Research/AF/Areas/Aquaculture/Better-feeds/Novacq-prawn-feed>