RIDLEY SECURES SUPPLY OF NOVACQ™ PRODUCTION & HARVESTING TECHNOLOGY

Melbourne, Australia, 16 January 2017:

Ridley Corporation Limited (**Ridley**) (**ASX: RIC**) today advises that it has executed a long term supply agreement for the equipment required for the commercial production and harvesting of Novacq™.

Avant Aqua Pty Ltd, a wholly owned subsidiary of Ultra Aquatic Technology Pty Ltd (**UAT**), is an entity with unique and patented technology (**UAT Technology**) and significant expertise in the treatment and management of water. Since acquiring the long term lease of Novacq™ production ponds at Yamba in January 2016, Ridley and UAT have been working together to develop the UAT Technology to optimise the production and harvesting of Novacq™ as a continuous cycle. Prior to adoption of this new technology and associated processes, the production of Novacq™ was effectively a batch process, which involved periodic draining of the production ponds to leave the Novacq™ as a residue to be excavated and dried. The continuous cycle provides a more efficient and environmentally sustainable solution that provides an ongoing Novacq™ supply stream, retains the water-borne nutrients, and avoids discharge from the production ponds.

While the process to develop Novacq™ still has a way to go before embarking upon a full scale commercial launch, the UAT Technology is already being effectively deployed and refined through a process of continuous improvement initiatives to produce Novacq™ at Yamba in New South Wales.

The preferred dewatering and drying technology has recently been identified to transform the wet, viscous Novacq™ into a powder form suitable for inclusion within the Ridley Aquafeed diets manufactured at Ridley's Narangba facility.

Concurrent with the processing activities, Yamba-produced Novacq™ has been utilised in new prawn feed diets, which are currently being trialled in commercial prawn farms against standard diets to gather in-field data on the Novacq™-induced growth and health enhancement potential witnessed to date in Ridley and CSIRO laboratory trials.

As soon as the importation licence is received to facilitate Yamba-produced Novacq™ entering Thailand, local diets with Novacq™ included will be produced at the Chanthaburi feedmill, in which Ridley acquired a 49% interest in January 2016. These new diets will be trialled with select prawn farmers in the region under normal Thai conditions and will provide critical data to support the expansion of activity into Thailand and other Asian territories covered under the existing exclusive licence agreement with CSIRO.

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Ridley CEO Tim Hart commented "This is a very important step in the process to produce commercial quantities of Novacq™ using a cost effective and environmentally responsible process, and one capable of being transported to any Ridley Novacq™ production site around the world, including a site in the vicinity of our feedmilling interest at Chanthaburi in Thailand."

"There is essentially a kit of equipment required to produce Novacq™ which we refer to as a Pond Set, and we have committed to a minimum investment of up to $5 million for 50 Pond Sets, including delivery, installation and training. We have also engaged UAT's founder and Managing Director Ian Nielsen on a three year consultancy arrangement, and envisage that the relationship with UAT and Mr Nielsen will extend well beyond this minimum commitment, potentially into new territories where we will seek to produce Novacq™."

Mr Hart continued "The exclusive relationship with UAT has been and continues to be very positive, and has been highly productive to date in taking UAT's existing patented technology, exchanging ideas and testing theories, and adapting the technology specifically to the production and harvesting of Novacq™. Together we are continually increasing the output and reducing the cost of production, which combine positively to increase the value to be shared between ourselves and our prawn feed customers. We are looking forward to the results of current feed trials, to being able to import Novacq™ into Thailand, and to securing the facilities at Chanthaburi to produce Novacq™ in the heart of one of the world's prominent prawn growing regions."

Mr Hart concluded that "While we are very excited by the recent acceleration of activity, the continuing improvements being made, and by the data we are compiling from all facets of the project, the extent of the shareholder value we can extract from this unique, once in a lifetime opportunity, is still beyond any meaningful quantification at the present time. That said, we are confident that the project will deliver positive returns for a properly managed capital outlay and we are therefore proceeding with the value realisation strategy as expeditiously as possible and within the confines of our stage gate applied R&D approval process."

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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 and Indonesia, and exclusive rights to market Novacq™ in 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.

Ridley's long-term goal has been 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 Australia and shortly in Thailand.

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