



33% ANNUALISED BIOMASS INCREASE FROM NOVACQ(TM) THAILAND TRIALS

Melbourne, Australia, 11 September 2017

Ridley Corporation Limited (**Ridley**) (**ASX: RIC**) today advises that in recent prawn trials conducted in one of its leased ponds at the Sureerath Prawn Farm, adjacent to Ridley's feedmill interest at Chanthaburi, Thailand, the Novacq™ inclusive diet has significantly outperformed the same Ridley diet without Novacq™.

Background

A comprehensive 50 day trial was concluded on 8 September 2017 in 10 individual, self-contained and suspended trial cages per treatment, spread across one of the Ridley leased ponds at the Sureerath Prawn Farm. The trial was a direct comparison between two commercial, steam pelleted diets made at the Ridley feedmill in Narangba, using the same diet, one with and one without Novacq™ at a 5% inclusion rate and using Novacq™ produced at our Yamba, NSW facility.



With the trial managed entirely by Ridley personnel in Thailand and under normal day to day conditions in Thailand, there has been strict adherence to protocols in an endeavour to minimise the impact of extraneous factors on the trial results. There has been twice daily testing of water quality, including temperature, salinity, pH, and dissolved oxygen, and all feed has been administered by hand, by cage as shown in the following pictures. The water was aerated and circulated but not otherwise impacted except for precipitation.

Both diets were shown to be highly water stable and showed no signs of dissolution up to four hours post immersion in the water. Both feeds used were tested for two size classes, with a starter feed for the first 21 days followed by a larger pellet for the remainder of the trial.



Trial results

At the end of the trial, the prawns were harvested and tested for growth rate, survival, total food fed, Feed Conversion Ratio (FCR) and total biomass gain.

The trial delivered strong growth and survival rates for both diets, and as a result, the trial reached target harvest weights after only 50 days compared to the traditional 70 day cycle. This biomass improvement is highly significant and would enable farmers to increase their production cycles per year from the typical current three harvests per annum to four, which equates to a 33% combined improvement in biomass and productivity.

Thai prawn farmers have also suffered in recent years from loss of biomass through disease, such as Early Mortality Syndrome, and rather than grow bigger prawns, the preference is likely to be to harvest early, de-risk the business, and generate much earlier cash returns for reinvestment.

Commentary

Ridley CEO Tim Hart commented "The initial analysis of these trial results is very pleasing, and represents significant value for the Thai prawn farmer compared to what has been a very good diet which has performed well in Australia prior to the advent of Novacq™. The combination of growth and survival is a winning formula for the Thai prawn farmer and provides a significant value delta when it comes to the customer value proposition."

"In addition to prima facie growth and biomass data, samples of prawns from each dietary treatment have been taken on completion of the trial, preserved in alcohol, and sent to an independent laboratory facility in Thailand for a detailed analysis. If we receive any compelling data from these laboratory analyses, we will immediately update the market accordingly."

"While the Thais may prefer a strategy of harvesting early, mitigating their production risk, and introducing a fourth production cycle, Australian prawn farmers may be equally interested in the extrapolation of the trial period based on usual prawn lifecycle growth trajectories. The extrapolations suggest there could be a 25% biomass improvement after 70 days and 27% after 80 days, and Australian consumers have traditionally been willing to pay a premium for large prawns. The introduction of a second production cycle for Australian prawn farmers is a similarly an enticing prospect."

Mr Hart concluded "These results ratify our confidence in pushing ahead with our Novacq™ applied R&D strategy towards commercialisation here in Australia and also overseas, commencing with Thailand and then expanding through export sales to its neighbours in the region."

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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 worldwide, with the exception of China and Vietnam. India converts to an exclusive entitlement on 1 January 2018.

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.

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>

Ridley Corporation Limited informative video on its novel raw material ingredient Novacq™ (March 2017): <http://www.ridley.com.au/investors/novacq>

ASX Releases:

22 January 2016 ASX release "Ridley secures site for domestic Novacq™ production."

29 January 2016 ASX release "Thailand feedmill investment advances Novacq™ strategy."

30 November 2016 ASX release "Novacq™ presentation - UBS Emerging Companies Conference."

16 January 2017 "Ridley secures Novacq™ production & harvesting technology."

21 March 2017 "Ridley releases Novacq™ information video."

27 March 2017 "Ridley & CSIRO enter Novacq™ Research Alliance and extend Licence."

3 April 2017 "Novacq™ trials deliver 37% uplift in prawn survival rates."

22 June 2017 "Ridley secures Novacq™ production site in Thailand."