



RIDLEY TO EXPLORE OPTIONS TO ACCELERATE THE GROWTH OF NOVACQ(TM)

25 May 2018

Ridley Corporation Limited (**Ridley**) (**ASX:RIC**) today advises that it has appointed Investec to explore options to accelerate the growth of Novacq™.

Novacq™ is a novel feed ingredient which in trials has demonstrated a significant uplift in prawn biomass when added to prawn feed at an inclusion rate of 5%. The increase in biomass is derived from a combination of higher survival rates, accelerated prawn growth and improved conversion of feed consumed into flesh, and general well-being of the prawn. Further potential benefits have been observed with regard to disease resistance, reduction in nitrogen outputs and a shorter harvest cycle duration. To date, farm and laboratory trials have demonstrated performance improvements of 33%+ against equivalent control diets with no Novacq™ inclusion.

Significant progress has been made on the Novacq™ applied R&D project at Ridley's current production sites, namely Yamba in New South Wales, Australia and Chanthaburi in Thailand. As previously disclosed, a number of Ridley's Australian prawn feed customers have used Novacq™-inclusive diets on a profit share arrangement for the recently concluded Australian growing season. Information from these arrangements is currently being compiled and a summary will be released to the market prior to 30 June 2018.

In Thailand Ridley expects to include locally produced Novacq™ in the Chanthaburi feedmill diets for commercial-scale farm use in the second half of the 2018 calendar year. Ridley is committed to scaling up production volumes at Chanthaburi, Thailand, both in the feedmill joint venture and in the 100% Ridley owned production of Novacq™ at the 14 ponds it has under long term lease and in which it is currently growing Novacq™ for inclusion in local feed production. With Thailand Board of Investment (BoI) approval received in February 2018, Ridley is now looking to expand the production facility from 14 ponds to 50 ponds in the next twelve months and to commence work on a blending plant in Thailand.

Novacq™ has generated worldwide interest and Ridley has secured the exclusive rights from its research partner, CSIRO, to produce and market the additive worldwide, with the exception of China and Vietnam, where it has non-exclusive marketing rights for Australian Made Licensed Products.

To accelerate the rollout of Novacq™, Ridley is now considering a broad range of options, including the potential for a third party investment in Novacq™. Ridley has received some preliminary expressions of interest from a number of parties with regard to Novacq™, but it should be noted that these are at an exploratory stage and there can be no assurance that any such expression of interest will result in any transaction being agreed.

Investec will assist the company to explore its options to accelerate the growth and maximise the value of Novacq™ for the benefit of Ridley shareholders.

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