RIDLEY & CSIRO ENTER NOVACQ(TM) RESEARCH ALLIANCE AND EXTEND LICENCE

Melbourne, Australia, 27 March 2017:

Ridley Corporation Limited (**Ridley**) (**ASX: RIC**) today advises that it has executed a Novacq™ Research Alliance Agreement with CSIRO (**Alliance Agreement**) and also varied the terms of its existing licence agreement with CSIRO relating to the Novacq™ Technology (**LA**).

The Alliance Agreement

Ridley and CSIRO have entered into an Alliance Agreement, with the objective of conducting collaborative research that will maximise the development of new Novacq™ applications beyond the existing application for prawn and crustaceans. Under the terms of the Alliance Agreement, Ridley will contribute annual cash funding of A$1 million to CSIRO for the parties to work together for the purpose of further advancing collaborative research relating to the existing Novacq™ technology.

Under a Management Committee of equal representation, an annual program of research will be established, which will be designed to target the potential applications most likely to improve the application of Novacq™ as a stock feed additive potentially in a range of species.

Under the Alliance Agreement, Ridley has the option to extend the term of the relationship for an additional period of up to five years.

The Licence Agreement (LA)

The existing 20 year LA, which was executed on 27 June 2016 to include Thailand as a licensed territory in addition to the pre-existing territories of Australia, Indonesia, Malaysia and the Philippines, has been extended in its scope to cover improvements to the Novacq™ Technology and new applications, including potentially using Novacq™ as a feed additive for species other than prawn and crustaceans, that may be developed during the course of the Alliance Agreement.

The territory licensed to Ridley has also been extended to include the whole world excluding China and Vietnam, which are already licensed by CSIRO to other parties. Ridley does however, retain its entitlement to market and sell Australian Made diets incorporating Novacq™ into China and Vietnam.

The extended territory under the amended LA is exclusive to Ridley except in respect of India, which converts to an exclusive entitlement on 1 January 2018.

Ridley Corporation Limited
Level 4, 565 Bourke Street, Melbourne VIC 3000
PO Box 16187, Collins Street West, VIC 8007
Tel: 03 8624 6529 Fax: 03 8624 6514

Ridley CEO Tim Hart commented "We have been working closely with CSIRO to secure the unlicensed prawn (and other crustacean) territories for Novacq™, and a key factor in committing to Ridley has been the extent of our investment and progress at both Yamba in New South Wales and Chanthaburi in Thailand. We are transporting the technology and knowhow developed at Yamba to Thailand, where there are significant opportunities to scale up our production activity in a low cost, ideal climate environment. The extension of our licence agreement provides us with the rights to market and sell Novacq™ into the remaining world prawn markets, of which Ecuador and India are the two most prominent producers."

"Through the strategic research alliance with CSIRO, we will be looking to develop a comprehensive platform of Novacq™ data, to establish rapid bio-test assays to demonstrate Novacq™ activity, to understand this activity spectrum and mechanisms of prawn growth, and ultimately determine the bioactive(s) within Novacq™. All of these activities will contribute to a characterisation profile which will then be used to identify those species most likely to be positively impacted by the inclusion of Novacq™ into their feed. We are delighted to be working with such a professional and creative organisation as CSIRO and we look forward to a long and rewarding alliance."

Mr Hart concluded that "Whilst we have limited technical data to support our enthusiasm, we have secured the opportunity to extend the application of Novacq™ beyond prawns and other crustaceans. We believe there is a reasonable likelihood that Novacq™ can have a positive application in other species, not only in the most likely application for fin fish, but also potentially for land-based animals. Improvement in growth and survival rates at a fraction of what we are seeing in prawns, could similarly revolutionise the poultry industry for example, where very small improvements in Feed Conversion Ratios lead to significant commercial returns due to the sheer volume of birds being processed on a daily basis."

For further Ridley information please contact:

Tim Hart
Chief Executive Officer
Ridley Corporation Limited
+61 (03) 8624 6529

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.

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

Ridley Corporation Limited informative video on its novel raw material ingredient Novacq™:
http://www.ridley.com.au/investors/novacq

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."