



14 June 2018

ASX Announcement

Algae.tec would like to clarify the position with its Uruguayan interests.

Under the original Collaboration Agreement with Jardine de Inverno the initial 10 acre crop was planned to be harvested H1C18. With the establishment of Auberna SA (as the commercialisation company) and the resulting management changes the Uruguayan government required that licences be transferred prior to any continuation of production. This has allowed AEB to have a greater involvement through the earn in right but has delayed the harvesting of the initial crop. Plans are now being finalised for the first crop to be harvested during the remainder of C18 once the transfer of the licences is completed. Auberna has advised that it expects to be delivering up to 50kg of high-grade CBD resin and powder (with CBD levels of between 50% and 99%) to AEB in the September quarter. These products retail for between US\$30,000 and US\$40,000 per kg. AEB is working with a range of wholesalers to arrange supply agreements for these products.

CBD is the major nonpsychoactive component of Cannabis sativa. There are many reported health benefits of CBDs including activity as an anti-inflammatory, anticonvulsant, antioxidant, antiemetic, anxiolytic and antipsychotic agent, and is therefore a potential medicine for the treatment of neuroinflammation, epilepsy, oxidative injury, vomiting and nausea, anxiety and schizophrenia.

AEB will keep the market informed on the delivery of these first CBD products in the coming weeks."

-ENDS-

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