



# MEDIA RELEASE

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## Commercial production of omega-3 oils from algae one step closer

Brisbane-based Qponics Limited (ASSOB:QPO) has reached a heads of agreement with UniQuest Pty Limited on the terms to license strains of algae for the commercial production of omega-3 oils and high-protein biomass.

Qponics signed agreements with UniQuest in 2011 to access the extensive algae collection held by UQ for a defined research and development project, and scientific services provided by Associate Professor Peer Schenk, a global leader in the biotechnology of algae and algae oil.

Qponics' CEO and Managing Director, Dr Graeme Barnett, said the heads of agreement progresses their partnership to the next stage with UniQuest, the main research commercialisation arm of The University of Queensland (UQ), one of Australia's most prestigious universities and is recognised around the world for its high-quality research.

"UniQuest is to grant to Qponics an exclusive worldwide license to commercially produce and sell omega-3 oil and high-protein biomass from the algae developed by the University of Queensland," says Dr Barnett.

"In addition, Qponics will have an option to extend the license to other non-biofuel algal-derived products for the strains developed under the 2011 R&D agreement.

"Qponics aims to sell organically produced DHA<sup>1</sup> and EPA<sup>2</sup> omega-3 oils to a wider segment of the global market. This will present a more viable option to companies that use omega-3 in their products and to consumers of these products who are looking for sustainably-produced vegetarian alternatives to products derived from fish, krill or other marine animals.

"The algal biomass remaining after oil extraction will be sold as a high-protein animal feed containing residual DHA and EPA omega-3 oils."

Associate Professor Peer Schenk from UQ's School of Agriculture and Food Science says the partnership with Qponics will result in new products to supply the unmet demand for vegetarian DHA- and EPA-rich omega-3 oil.

"More than ten percent of Australians are vegetarian and most are very aware of the health-related benefits of omega-3 oils, which include prevention of neurological, cardiovascular and degenerative diseases," says Associate Professor Schenk.

"Fish stocks worldwide are depleting at an unprecedented rate. My team is very pleased to be working with Qponics to develop a renewable source of organic omega-3 fatty acids, palatable to both vegetarians and the general population. Qponics is developing a unique organic production process using oil-rich freshwater microalgae.

"We have collected Australian algae strains from various freshwater and brackish water environments and have developed methods to optimise their growth conditions and fatty acid yields. Therefore, working with Qponics is an excellent opportunity for the University to commercialise the output of its research to develop high quality products that aim to make a positive difference to the health of consumers."

Qponics' strategy is to access the technologies required to organically produce algal omega-3 oil for human consumption and high-protein biomass for animal feed through strategic partnerships with other companies and research institutions, rather than expend precious time and capital on high-risk in-house R&D.

The Company will construct its first operational plant near Sydney in a unique facility that will integrate the cultivation of algae into a sustainable aquaculture-horticulture process, where the effluent from fish tanks provides the organic nutrients for growing algae.

"I look forward to finalising the licensing agreement with UniQuest once the omega-3 rich algal strains required by Qponics have been selected and optimised by Associate Professor Schenk and his team," says Dr Barnett.

## ENDS

1. DHA Docosahexaenoic acid; 2. EPA Eicosapentaenoic acid

### About Qponics (ASSOB:QPO)

Qponics Limited was founded in January 2011 as a public unlisted Australian company incorporated in Queensland, and has gained admission onto the Australian Small Scale Offerings Board (ASSOB). The Company's business philosophy is centred on the sustainable organic production of high quality algal omega-3 oils for human consumption and high-protein biomass for animal feed. Its aim is to operate algal photo-bioreactors integrated into an ecologically balanced aquaculture-horticulture system for the production of omega-3 oils to ensure that operations eliminate environmental pollution and minimise carbon emissions and water consumption. The use of the term "organic" as a descriptive for Qponics' algae oil products and algae oil production processes are subject to the Company, at a future time, applying for and being successful in gaining organic certification for its products and processes. For more information about Qponics, please visit [www.qponics.com](http://www.qponics.com) and [www.assob.com.au/QPO](http://www.assob.com.au/QPO).

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### About UniQuest

Established by The University of Queensland in 1984, UniQuest is widely recognised as one of Australia's largest and most successful university commercialisation groups, benchmarking in the top tier of technology transfer worldwide. From an intellectual property portfolio of 1500+ patents it has created over 70 companies, and since 2000 UniQuest and its start-ups have raised more than A\$450 million to take university technologies to market. Annual sales of products using UQ technology and licensed by UniQuest are running at A\$3 billion. UniQuest now commercialises innovations developed at The University of Queensland and its commercialisation partner institutions: the University of Wollongong, University of Technology Sydney, James Cook University, University of Tasmania, Mater Medical Research Institute, and Queensland Health. A recent addition to the company is the Queensland Government-supported ilab technology business incubator and accelerator. UniQuest also provides access to an expansive and exclusive network of independent academics to tailor a consulting or project R&D solution to meet the diverse needs of industry and government, facilitating some 500 consulting, expert opinion, testing, and contract research services each year. UniQuest is also a leading Australasian provider of international development assistance recognised for excellence in technical leadership, management and research. Working with agencies such as AusAID, NZAID, the Asian Development Bank and the World Bank, UniQuest has developed and implemented more than 400 projects in 60+ countries throughout the Pacific, South-East Asia, the Indian sub-continent and Africa.

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