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Omega-3 oil and protein from algae planned for Brisbane in 2016.

Brisbane-based Qponics Limited has formed a collaborative relationship with British company AlgaeCytes Limited.

It is expected to lead to commercial algae production by Qponics in Brisbane during 2016.

Dr Graeme Barnett, Managing Director of Qponics, said the company had been searching the world for a photobioreactor system in which to grow algae for food supplements protected within a warehouse-style building.

He said it had to be cost-effective, modular, scalable, and capable of accepting a continuous inflow of organic nutrients to grow algae on a commercial scale.

"This is why Qponics is now collaborating with AlgaeCytes Limited," Dr Barnett said.

"AlgaeCytes has a photobioreactor technology matching our specifications and a business model compatible with our world view."

A Letter of Intent to form a collaboration between Qponics and AlgaeCytes was signed in April 2015 in advance of a visit by Dr Barnett to AlgaeCytes' facility in Sandwich, Kent, in the United Kingdom.

AlgaeCytes has a pilot plant operating successfully at the company's UK research and development facility for the past year, producing algae for the extraction of EPA omega-3 oil.

Dr Naz Bashir, CEO of AlgaeCytes said: "Our larger-scale commercial product module, with greater capacity than the pilot module, is presently being engineered. It is expected to be available in 2016 for installation in Britain by AlgaeCytes and in Australia by Qponics."

The AlgaeCytes modular system was specifically designed to accept nutrient-rich process water – especially from industries such as:

- Aquaculture,
- Aquaponics.
- Hydroponics,
- Breweries and distilleries.

Qponics is focused on the sustainable production of human food supplements from Australian strains of algae. Omega-3 oils – initially eicosapentaenoic acid (EPA) and later docosahexaenoic acid (DHA) – will be early products. The algal biomass remaining after oil extraction will be valuable vegetarian high-protein food product.

Dr Barnett said that during his visit to the UK last April he observed the AlgaeCytes modular photobioreactor in operation. He confirmed its capability for large-scale, sustainable and organic production of algae and algae-derived products for human consumption.

Dr Bashir said: "A collaboration between AlgaeCytes and Qponics can extend the global market access of both companies for our algae-sourced products."

“Importantly, Qponics has secured a route to the Asia/Pacific market for its algae products and AlgaeCytes is well-placed to produce algal products for distribution throughout Europe,” he said.

“Qponics is focused on the Asia/Pacific region, which is the world’s largest and fastest-growing market for algae-sourced products”.

Dr Barnett said Qponics was accessing this market through its partnership with Nutrition Care Pharmaceuticals, a nutraceuticals and food supplements manufacturing company based in Melbourne, Victoria.

“Qponics is entering the rapidly-growing wholesale omega-3 essential oils market at a time in which the traditional marine animal sourced supply-chain is becoming constrained and uncertain, because many oily fish species are in global decline.”

He said that it was a good time for Qponics to invest in the algae food supplement industry because global omega-3 oil prices have been rising - while the Australian dollar was falling. The combination of these factors may significantly increase projected future revenues, he said.

For more information visit www.qponics.com

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About Qponics Limited

Qponics Limited was founded as a public unlisted company in 2011 and is located at the Brisbane Technology Park, Eight Mile Plains, Brisbane, Australia.

The Company’s business philosophy is centred on the sustainable and organic production from algae of high quality, vegetarian EPA/DHA omega-3 oils and other algal products, on locations in close proximity to markets and distribution channels.

Previously, Qponics announced that it had signed contracts with **UniQuest Pty Ltd**, the commercial arm of the University of Queensland (UQ). This was to access the extensive library of algae collected from Queensland waterways, and to improve the yields of EPA and DHA omega-3 fatty acids using methods developed by **Professor Peer Schenk** at UQ. Qponics has an agreement with UniQuest on the terms for licensing algae for the commercial production of omega-3 fatty acids and biomass.

Qponics has also signed a Memorandum of Understanding with Melbourne-based **Nutrition Care Pharmaceuticals** (NCP), a nutraceuticals and food supplements company. NCP distributes its products throughout the Asia/Pacific region including China and India. It is anticipated that NCP will buy and find nutraceutical industry members to buy the total output of Qponics’ future Australian production for distribution throughout the Asia/Pacific.

For more information visit www.qponics.com

About AlgaeCytes Limited

AlgaeCytes is a product-driven company leveraging proprietary and patentable technology primarily to create, from sustainable proprietary algae sources, and sell high value, vegetarian, health promoting premium ingredients for health care, personal care and pharma products. AlgaeCytes produces mainly valuable, high purity Omega 3 oils and also Omega-6 oils, antioxidants and proteins. Those other products and its production technology may be utilized for additional products for other markets.

For more information visit www.algaecytes.com

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