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ALGAE LICENSING HEADS OF AGREEMENT

Qponics has reached a heads of agreement with UniQuest Pty Ltd 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 the University of Queensland 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 "I am pleased to report that we have progressed to the next stage in our partnership with UniQuest. The University of Queensland is 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," said 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.

"I look forward to signing 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."

Graeme Barnett

Chief Executive Officer and Managing Director

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