



8 July 2016

ASX Announcement

The Manager Announcements  
Company Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

### Investment Announcement

Algae.Tec is pleased to announce that it has secured a US\$500,000 investment from the highly regarded New York Investment firm, Magna and its affiliate fund Magna Equities II, LLC (“Magna”).

This funding facility supports the recent announcement regarding an investment into the Company’s operations by Gencor Pacific, and will be utilized for working capital whilst revenue is being generated from the Company’s nutraceutical products.

This investment completes the capital raising announced in January 2016 of up to US\$1.5m via a convertible note structure.

***The Managing Director of Magna, Mr. Ari Morris stated “We are pleased to partner with Algae.Tec in the development of their technology. We believe Algae.Tec have a unique technology and are well poised to commercialise their process and generate significant profits “***

Magna has made a number of investments in the Australian market and are well known for investing in companies to empower them to achieve their objectives.

The Managing Director of Algae.Tec, Peter Hatfull stated “ *We are pleased to commence this relationship with a strong institutional fund that has identified the strength of the Company’s products and market, and who intends to support the planned growth of the Company. As the Company continues to innovate, and develop new markets and products, it is important to have a reliable source of capital for expansion “*

The funding is in the form of convertible securities with the following terms:

- The first drawdown is US\$350k and is available immediately and has already been received
- The second tranche of US\$150k is available after 90 days dependent upon the Company complying with certain equity conditions
- There is no interest on the Notes
- The securities are subject to a 30-day lock-up and are convertible into shares at the lesser of i) 85% of the average of the lowest 5 daily VWAP’s in the 10 days before conversion or ii) \$0.075
- The securities have a 12 month term
- Magna is subject to certain restrictions in selling of the Company’s Common Stock