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ASX Announcement

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

Plant Update

Algae.Tec is pleased to announce the start-up of its nutraceutical plant in Cumming Atlanta in early February 2017.

The plant has been substantially upgraded following the injection of US\$1million in June 2016 by Gencor to increase product flexibility, expand plant capacity and focus on multiple high quality products.

The Plant upgrades were completed in November 2016 with the beginning of the commissioning of the facility. Unfortunately in late November, the plant experienced an electrical fire in the Clean Room Facility, which houses critical downstream equipment for harvesting and product refinement. The Clean Room Facility has been completely repaired and production will be commenced this week.

The plant will initially produce approximately 35 tonnes per annum of high EPA and DHA biomass and oil products from 2 different algae species. The high levels of EPA and DHA fatty acids in the final products are well-documented for their nutritional value, health benefits and nutraceutical applications.

EPA and DHA are well-known long-chain unsaturated omega-3 fatty acid which have suitable applications as a dietary supplement, providing a vegan substitute for fish oil. Omega-3 fatty acids have been linked to healthy aging throughout life. There are numerous studies which show that EPA and DHA are important for proper fetal development, including neuronal, retinal, and immune function. EPA and DHA have been linked to promising results in prevention, weight management, and cognitive function in those with very mild Alzheimer's disease.

As announced recently, the Company is in mature negotiations with certain investors to significantly increase its exposure to the algae nutraceutical market.

To see a brief overview of the facilities in Cumming please visit the following link:

<https://www.youtube.com/watch?v=kLNKHkEgDXc&feature=youtu.be>