

TECHNOLOGY INCUBATION GROUP

STRATEGIC TECHNOLOGY SPECIALISTS

MEDIA RELEASE

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\$3.5 MILLION AUSSIE PRAWN ACQUISITION ACCELERATES WA GROUP'S PLANS

STRATEGIC ACQUISITION OF ESTABLISHED DARWIN PRAWN FARMING OPERATION

WA-based aquaculture company Technology Incubation Group Ltd (ASX: TIL) has fast-tracked its path to commercial black tiger prawn production after reaching an agreement to purchase an established Darwin based prawn farming operation for \$3.5 million.

TIL – which plans to change its name to Tiger International Limited next month – said the key strategic acquisition had significantly advanced its commercial development strategy to secure a significant position in the multi-billion dollar international tiger prawn industry by at least two years.

The Company already has a controlling interest in a Broome-based black tiger prawn hatchery and farming venture, where it is conducting a full feasibility study on establishing a large-scale commercial tiger prawn production & export operation.

TIL announced today that it had reached agreement to purchase the entire issued capital of Aussie Prawns Pty Ltd for \$3.5 million, payable by 24 December 2003 subject to completion of due diligence. The acquisition includes:

- 287 hectares of unencumbered freehold land located 10 kilometres from Palmerston, 25 kilometres from Darwin International Airport and 35 kilometres from Darwin;
- a prawn hatchery building able to produce up to 20 million prawn larvae (PLs) per annum;
- other infrastructure including a house and accommodation units, all connected to town power and water;
- 27 fully-developed and 20 partially-developed prawn grow-out ponds, plus 80 hectares of dams and reservoirs.

TIL's Chairman, Dr Tor Theunissen, said over \$8 million in development capital had been spent on the property and infrastructure to date which ceased operations in July 2001 due to the inability of the previous operator to secure a regular supply of black tiger prawn broodstock and the operator's personal circumstances.

"This acquisition is of great strategic and commercial importance to the Company, in that it advances the objectives of the Company by at least two years," he said. Dr Theunissen said, "The Darwin operation is a magnificent site and presents an outstanding opportunity for the Company."

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TIL's plans will result in a significant increase in Australia's production of black tiger prawns within a decade. Australian production, which comes mainly from North Queensland, is currently estimated at 3,500 tonnes a year according to the Australian Prawn Farmers Association.

Globally, the black tiger prawn industry is worth an estimated A\$9 billion a year, with 50% of the value of farm gate production sourced from Thailand, followed by Vietnam and India.

Annual farm gate production of tiger prawns in Australia is estimated to have grown by 60% over the past four years and is currently worth an estimated \$70 million per annum.

TIL has lodged a prawn farm licence application with the WA Department of Fisheries for the development of an additional 300 hectares of prawn grow-out ponds near Derby in Western Australia. The Group is currently conducting commercial trials at its operations in Broome.

TIL was granted an Aquaculture Licence for its Broome operations earlier this year.

"It will take some months to bring the Darwin operation up to the high standard our marine scientists require, but we are confident that we will be producing prawns by December 2004," Dr Theunissen said.

He added that funding arrangements for the acquisition were currently being finalised. "We do not anticipate any difficulty in funding the acquisition, with the land value alone being assessed at \$3 million some years ago," he added.

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