

MEDIA RELEASE

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## TECHNOLOGY GROUP COMMITS TO FEASIBILITY STUDY ON WA TIGER PRAWN VENTURE

PERTH-BASED COMPANY ACQUIRES CONTROLLING INTEREST IN BROOME VENTURE

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Technology Incubation Group Ltd (**ASX: TIL**) is set to secure a position in the multi-billion dollar international tiger prawn industry after concluding an agreement to acquire a controlling interest in a Broome-based black tiger prawn hatchery and farming venture. As part of the agreement, TIL will fund a full feasibility study on establishing a large-scale commercial tiger prawn production and export operation.

The Perth-based technology group – renamed TIL last year after its corporate predecessor, Whittle Technology Ltd, sold its mine optimisation software business to a Canadian firm – plans to assess the potential for establishing Western Australia's first large-scale commercial black tiger prawn hatchery in Broome. The feasibility study will also examine the establishment of a large-scale prawn farming operation either in Western Australia or the Northern Territory.

If the venture is successful, TIL's plans would 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.

Under the agreement between TIL and Faustus Nominees Pty Ltd, the controlling shareholder in Tiger International Hatcheries Pty Ltd (TIH) and Tiger International Farms Pty Ltd (TIF), TIL will increase its existing shareholding in TIH from 49% currently to 80% and acquire an 80% interest in TIF by:

- forgiving all amounts advanced to the companies by and on behalf of Faustus;
- issuing new shares to Faustus to increase its shareholding in TIL from approximately 8.15% currently to 32.5%;
- funding all approved expenditure for the ongoing evaluation and establishment and operation of a large-scale commercial prawn hatchery and farming enterprise. The cost of conducting a full feasibility study is estimated at A\$350,000.

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TIL will have the option to increase its 80% shareholding in both companies to 100% by purchasing the remaining 20% shareholding in both companies in return for the issue of TIL shares. TIL will also apply to change its name to Tiger International Limited.

TIL's Chairman, Dr Tor Theunissen, said the acquisition represented an opportunity for TIL to become a key player at the forefront of a rapidly growing sector of Australia's aquaculture industry.

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

"TIH and TIF are already well advanced towards the goal of establishing a commercial operation, having already achieved a number of significant milestones," he added. "These include the recent grant of an Aquaculture Licence by the Department of Fisheries of Western Australia for the hatching of prawn larvae at a site at the Broome Tropical Aquaculture Park."

The companies, working closely with the Fisheries Department, have already conducted research and development and successful sourcing and collection of broodstock for the prawn species *Penaeus monodon* (black tiger prawn) and conducted the first successful spawning and hatchery production of black tiger prawn fry in Western Australia.

They have also identified and comprehensively assessed a number of prawn hatchery sites in Western Australia and the Northern Territory.

Dr Theunissen said the next stage for the venture was a semi-commercial trial to be conducted at the Broome Aquaculture Park between August and December 2003, which would lead into a full feasibility study.

As part of the transaction announced today, TIH and TIF directors John Hutton and Nicholas Miller will join the board of TIL.

Mr Hutton holds directorships in a number of other companies involved in resources, tourism and pearling including Maxima Pearling Company Pty Ltd, Australia's third largest producer of South Sea pearls. Mr Miller has extensive experience in the management of marine assets, pearl oyster hatcheries and spat production methods and has held senior management positions in a number of pearling companies.

An independent expert will be appointed by TIL to examine and evaluate the proposed transaction and prepare an analysis of it for shareholders. A shareholder meeting will then be convened to consider the transaction.

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