



## Research Project Update – Port Lincoln

### KEY POINTS

- Port Lincoln Research Project terminated
- Wylie Bay Project continuing
- Three potential new sites in South Australia and Victoria to be evaluated in Q1 2018

### DETAILS

**Ocean Grown Abalone Limited (ASX: OGA, the Company)** wishes to advise that following recent field assessments, the research project in Port Lincoln, South Australia has been terminated.

The decision is consistent with OGA's rigorous approach to undertaking comprehensive research assessments of potential expansion opportunities in new locations of its abalone ranching technology, prior to committing significant shareholder funds to new commercial abalone ranch developments.

OGA remains committed to its strategy of investigating other potential locations in Southern Australia for expansion of the abalone ranching technology that the Company has successfully researched, developed and commercialised in Western Australia. Two additional sites in South Australia and one in Victoria have been identified as having good potential and will be investigated further in Q1 2018.

In September 2017 the South Australian Government gave OGA approval to undertake research to assess the viability of the OGA Abalone Ranching technology in four locations south of Port Lincoln. Islands very close to the four trial sites support a large commercial Greenlip abalone fishery, with waters considered to be under a more tidal influence when compared to OGA's operations in Augusta, Western Australia.

Based on reports from fortnightly dive inspections in January 2018 it became apparent that mortality rates of juvenile abalone at the four locations were higher than expected. Whelks, Spider Crabs and Eleven Arm Starfish were present at all four sites and are known predators of juvenile abalone. These predators have not been experienced during previous trials at the two operating sites in Western Australia.

Managing Director, Brad Adams visited Port Lincoln in mid-February to inspect the sites and critically assess the progress of the trials. Mortality rates at all four trial locations were reported to be in the range of 50-75% after the four-month trial period. High predation of ranched juvenile abalone in this area is likely to be detrimental to developing a commercial abalone ranching business hence the Company's decision to terminate the trial.

To date OGA has spent approximately \$247,000 (excluding capital) on the trials at Port Lincoln and we anticipate spending a further \$65,000 on pre-existing commitments and to remove the Abitats from the Port Lincoln locations. An assessment will be made on the use of existing capital items in future development opportunities. It should be noted that all expenditure on R&D attracts the AusIndustry R&D rebate of 40%.

#### **For investor and media enquiries, please contact:**

Brad Adams  
Managing Director  
Email: [brad@oceangrown.com.au](mailto:brad@oceangrown.com.au)  
Mobile: 0417 910 023

Kate Sutton  
Media  
Email: [kate@suttonsolutions.com.au](mailto:kate@suttonsolutions.com.au)  
Mobile: 0418 202 546

## About the Company

Ocean Grown Abalone Limited (**ASX: OGA**) has developed the world's first commercial greenlip abalone sea ranching business in the pristine waters of Flinders Bay, Western Australia. Through the construction of proprietary, purpose-built artificial abalone reefs (called "Abitats"), OGA is able to supply commercial quantities of its premium, 'wild-harvested', greenlip abalone at sizes not otherwise available in the Australian abalone market today.

For more information visit <https://www.oceangrown.com.au>

## Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, currency fluctuations, increased production costs and variances in recovery rates from those assumed, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.