

ASX: AYI Suite 606 / 37 Bligh Street, Sydney NSW 2000 Australia

28 February 2014

**ASX RELEASE**

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**PURCHASE OF MARVEL SEEDS**

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A1 announces that today it entered a heads of agreement to acquire all the shares in Marvel Seeds, a Singapore private company for amount of A\$5.5million (subject to an independent valuation). The purchase price is to be paid by way of the issue of ordinary shares in AYI for A\$2million and convertible note A\$3.5million. Marvel Seeds is the distributor worldwide of Super Sorghum seeds from Japan. Marvel Seeds has a sales agreement with SOL Holdings Corp. which sales amount is projected to be A\$13million in 2014.

The heads of agreement are subject to;

1. The AYI noteholders changing their convertible securities to converting securities and approving the acquisition;
2. The shareholders of the company approving the acquisition; and
3. Regulatory approval by ASIC and the ASX.

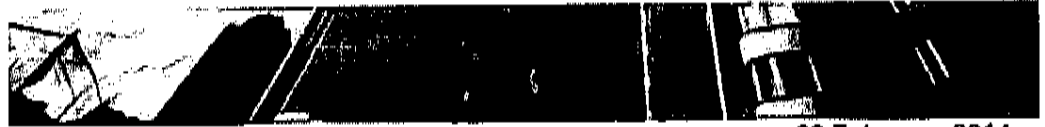
The company confirms that all the details of the acquisition are not fully known and the company confirms that as these details become available the company will make further announcements confirming such details.

The company will be seeking a determination from the ASX concerning the application of the listing rules to the proposed acquisition, particularly listing rule 11.1.2/11.1.3. The Company will thereafter announce the ASX's requirements and explain the effect of the determination and the timetable for meeting the requirements.

Subject to regulatory approval meetings of the noteholders and shareholders are planned for March and April 2014 respectively.

The Board of AYI has been seeking new directions and a sustainable and growth focused business plan for sometime. The Board determined that a natural resource focus was too limiting in the near and medium term and sought to examine and analyse various opportunities particularly in food and agriculture.

Sol Holdings Corp a large multi divisional business from Japan that was also looking for a partner to assist it with its worldwide expansion of its SuperSorghum business. AYI was seen as having management, financial, legal, marketing and research skills complementary to Marvel Seeds and the



combination of both companies had significant potential to expand the marketing and sales of SuperSorghum, not just in Australia but throughout the world.

#### Why SuperSorghum?

SuperSorghum has potential to change the energy map of the world

- High productivity of sugars and bioethanol
- Tolerant of both drought and humidity stresses
- Fast growth, large yield

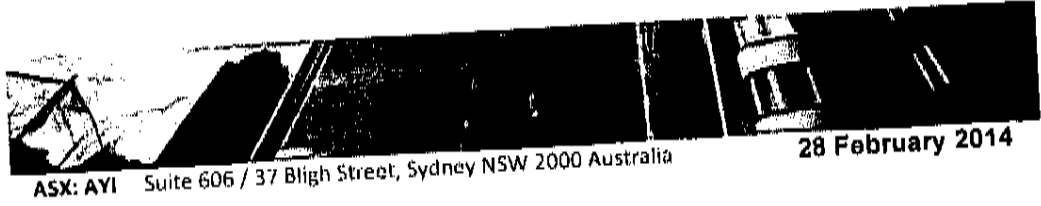
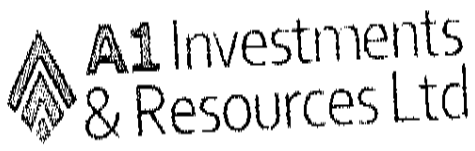
In Australia SuperSorghum represents an immediate opportunity to get back into production old or poorly operated and managed sugar cane farms with a high yielding and cost efficient product. Test farming in northern Queensland is already underway.

Sorghum as a feedstock represents an immediate market but its longer term potential as a biomass for ethanol production is enormous.

Subject to ASX approval, notices of meetings for the noteholders and shareholders including an explanatory memorandum and valuation of Marvel Seeds and will be available for release and distribution in the near future.

#### <About Marvel Seeds Pte Ltd>

Marvel Seeds Pte Ltd was established in Singapore in July 2012. Marvel Seeds distributes valuable special seeds around the world. By giving life to world class science, Marvel Seeds help their customers to increase crop productivity, protect the environment and improve health and quality of life. The company's goal is not only selling seeds at a profit to farmers, but also expanding the use and diversity of such seed products such as SuperSorghum as a biomass energy product to produce biomass fuel, syrup, sugar, and chemicals. Marvel Seeds has total assets of A\$10.5mil. \*These management account figures are not audited (source Marvel Seeds Ltd ).



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**A1 INVESTMENTS & RESOURCES LTD**

A handwritten signature in black ink, appearing to read 'Charlie Nakamura'.

Charlie Nakamura  
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