

PLENTEX LIMITED

(ABN 13 009 607 676)

**246 Esplanade,
Brighton. Victoria. 3186**

Telephone: (03) 9553 8896

Facsimile: (03) 9592 2328

REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2013

REVIEW OF OPERATIONS

Proposed Acquisition of Biovite Business

Plentex aspires to be a leading producer of sustainable, algae-derived products and raw materials for multiple industries.

It is focusing on producing from both macroalgae (seaweed) and microalgae (microscopic organisms) a portfolio of high value products including pharmaceuticals, nutraceuticals, human foods, cosmeceuticals and aquaculture and livestock feeds.

Towards the end of the quarter under review, Plentex signed a Non Binding Letter of Intent in relation to the proposed acquisition of the business of and certain assets of Biovite Australia Pty. Ltd.

The completion of this acquisition will substantially influence the future direction of Plentex's business and will provide the Company with a platform from which to market its proposed algae derived high value pharmaceutical, cosmeceuticals, nutraceuticals and other products.

Biovite Australia Pty. Ltd. is a science based biotechnology company whose activities involve the discovery, research and development, proof of concept, and commercialization of bio-actives for use in human health, animal health and agriculture.

Biovite's present activities are based upon the discovery and development of a bioactive derived from microalgae which has applications for a variety of dermatological conditions of the nails and skin in humans. The bioactive also has patented applications in animal health and agriculture. International Patents and Trade Marks are held.

Biovite was established in 2001 and is based on the Gold Coast, Queensland, Australia. Since establishment, Biovite has undertaken a program of Research and Development into the activity, efficacy and safety of its bioactive.

Biovite has developed a range of products in the pharmaceutical, skincare and human food supplement markets some of which are currently being sold in Australia and overseas' markets.

Biovite will become the core of Plentex's future business plan. With the acquisition of Biovite, Plentex will be able to market its proposed product range under the Biovite brand. These products are expected to include but will not be limited to a "superfood" algae sold in powder and capsule form, a carotenoid that promotes eye health and an algae based omega oil.

In summary, the acquisition of Biovite by Plentex will bring about synergistic benefits to both businesses and allow Biovite to grow in a new environment that is well resourced, funded and has access to the expertise needed to relaunch the extensive current product range both in the local as well as the international market.

Under the Letter of Intent, Plentex has exclusive rights to acquire the Biovite business, and at the end of the quarter was completing due diligence.

The consideration payable by Plentex for the acquisition will consist of a combination of cash, fully paid ordinary shares in Plentex, and options.

The acquisition will not trigger the takeover provisions of the Corporations Act and is considered not to involve a change of activity.

Subject to completion of due diligence the Letter of Intent will be replaced by a formal binding Sale of Business Agreement, following the signing of which Plentex will make an announcement providing full details of the transaction and its likely benefits.

OTHER DEVELOPMENTS DURING THE QUARTER

Nutraceutical and other high value products

Plentex/SARDI – High Value Nutraceutical Project (ex microalgae)

As we have previously reported, Plentex was the principal industry partner in a South Australian Premier's Science and Research Fund Round 6 (PSRF6) project which was undertaken by Flinders University and SARDI over a four year time frame involving total expenditure of approximately \$4.2 million.

During the course of this project SARDI isolated a native strain of microalgae which thrives in saltwater with varying promising attributes in terms of growth rate, lipid content, stability of the culture, ease of culture, tolerance to varying environmental conditions and showing commercial potential in the synthesis of other high value products such as carotenoids, proteins and certain essential fatty acids. The project was completed in April 2012. Plentex has exclusive commercial rights to this strain.

In September 2012, Plentex finalised a contract under which it proposed to engage SARDI to quantify peak carotenoid production in the wild strain of the microalgae originally isolated by SARDI, together with a few mutants developed by Flinders University researchers.

Some changes were made to the scope and timing of the project late in 2012 and the project was commenced in early February 2013. Under the revised scope of the project, SARDI was required to compare the growth and carotenoid synthesis performance of three mutant strains (M104, M341 and M635) developed by Flinders University with the wild strain in outdoor raceways, followed by production of biomass in bulk of the best performing strain harvested at the carotenoid synthesis peak.

The project was largely completed during the quarter under review. The outdoor experiments were conducted in nine, 20 metre raceway ponds at SARDI's West Beach, Adelaide facility.

To resolve taxonomy of the wild strain, DNA sequence analysis was carried at Plentex's request by Dr. David Nobles from the Culture Collection of Algae at the University of Texas. Based on this work, Plentex and SARDI have designated the strain as *Chloroparva*.

Among the three mutants trialled, M635 was observed to perform best. However, comparative trials between M635 and the wild strain of *Chloroparva* registered no significant differences in the target carotenoid yield or biomass concentrations. Because of the stability of the culture, further trials were carried out using the wild strain.

Very valuable information in relation to the influence of varying factors such as temperature, salinity, dissolved oxygen and the use of various nutrients on synthesis of the selected carotenoid has been gained from the trials.

Plentex considers that there is potential to market *Chloroparva* as a human food supplement and the acquisition of the Biovite business will provide an immediate avenue to markets.

Samples of freeze dried *Chloroparva* were analysed late in the quarter with the objective of developing a nutritional label for this potential direct human food supplement. The results of this analytical work indicate that *Chloroparva* can compete very favourably with *Spirulina* in terms of its nutrient content and has the added advantage of the inclusion of carotenoids which are important for the development of and maintenance of eye health.

Photobioreactor Selection Study

Plentex considers that the commercial production of high purity, high value products from microalgae will very likely require the use of photobioreactors as opposed to growing the microalgae in open ponds or open raceways.

A photobioreactor is an enclosed culture vessel that is designed to use natural or artificial light to support photosynthesis for controlled production of microalgae biomass. Photobioreactors can consist of a series of inter-linked plastic or glass tubes in horizontal or vertical configuration or suspended plastic bags.

The use of photobioreactors will minimise the possibility of contamination and will allow greater control over the various factors which impact the growth of microalgae.

During the preceding quarter a consultant engaged by Plentex conducted an international survey of photobioreactors which are currently being trialled or marketed for the production of microalgae.

This study resulted in the recommendation to Plentex of a photobioreactor manufactured in the Netherlands.

A detailed proposal for the supply of photobioreactor and ancillary equipment from this manufacturer has been obtained which is currently being reviewed. Arrangements have been negotiated with SARDI for the installation of this photobioreactor at SARDI's Aquatic Sciences facility at West Beach, Adelaide. SARDI will operate this photobioreactor on Plentex's behalf.

Microalgae Extraction Technology

One of the other outcomes of the PSRF6 project was the development by Flinders University personnel of an innovative technique for extracting protein and carbohydrate from microalgae biomass before and after the lipids (oils) have been extracted.

Plentex has exclusive commercialisation rights with respect to all intellectual property (IP) developed under the PSRF6 project.

Under the applicable agreement Plentex is required to take all necessary steps at its cost to protect any such IP by the lodgment of applications for patents where appropriate.

To this end Plentex was involved during September/October 2012 in the development of a new international (PCT) Patent Application – Microalgal Extraction (PCT/AU2012/001279) with respect to the technology developed by Flinders University personnel during the PSRF6 project.

Plentex provided funds for some additional research by Flinders University personnel to develop additional test data to support this PCT application.

In addition, Plentex paid the Patent Attorneys' fees for the PCT application and is responsible for all ongoing patent application costs.

In late March 2013, the International Search Report (ISR) and Written Opinion from the International Secretary Authority (ISA) were received by the Patent Attorneys.

ISA has taken the view some of the claims of the PCT application are not considered to be novel and/or involve an inventive step.

The Patent Attorney acting on behalf of Plentex considers that the ISA opinion is incorrect and the Flinders University personnel involved in the development of the subject technology strongly support this view.

Plentex has obtained a report from a consultant in relation to the issues of prior art and lack of inventive steps identified by the ISA.

Plentex also completed during the quarter an internal study in relation to the economics of the Flinders University extraction technology if utilized on a commercial scale. Plentex intends to meet with Flinders University and SARDI representatives and Plentex's Patent Attorney in the next quarter to discuss and agree on the future prosecution of the PCT application.

Aquafeed and Livestock Feed

Philippines Aquafeed Project

During a visit to the Philippines in August 2013 Plentex met with its advisors in Manila and initiated arrangements for the incorporation in the Philippines of several companies which will serve as the vehicles for the development of Plentex's proposed aquaproducts business.

Subsequent discussions were held in Tacloban with Tacloban City officials and the Regional Director of the Philippines Bureau of Fisheries and Aquatic Fisheries.

Dr. Sasi Nayar from SARDI accompanied Plentex executives during this visit and took part in the inspection of the various infrastructure which Plentex hopes to acquire or have access to for the purposes of its proposed aquaproducts project.

Plentex/SARDI Aquafeed Project

Subject to the availability of funding, Plentex plans to engage the South Australian Research and Development Institute (SARDI) to carry out a program which will investigate the techno-economic feasibility of including macroalgae in aquafeeds to supplement fish meal and bring additional benefits in formulated feeds.

The results of this study will assist Plentex in developing its proposed Philippines aquafeed project and pursuing other feed manufacturing opportunities which have been identified in Australia.

This project is currently on hold pending the outcome of the application for Federal Government funding discussed below.

Caring for our Country – Innovation Grant Scheme

In early July 2013 Plentex, in conjunction with SARDI and the Food Plus group of Adelaide University lodged an application for Federal Government Funding under the Caring for our Country - Innovation Grants (Sustainable Aquaculture Stream) to support the joint project outlined below.

The project aims to develop a sustainable source of nutrients for humans and livestock from microalgae and seaweed cultivated on marginal land utilizing seawater or saline ground water. The native strains of algae will be biosecure and preserve our diverse phycological flora.

Food products will be developed from algae for human health and nutrition. Protein rich feed ingredients will be developed for fish and livestock from algal meals to replace high cost sources of feed (e.g. fish meal) that are unsustainably sourced. There will be benefits to the livestock and aquaculture industries and potential improvements in health of humans.

This application seeks \$1,112,500 in Federal Government Funding. A decision was expected early in August 2013 but this was delayed by the calling of the Federal election.

Confidential Aquafeed Projects

Considerable progress was made during the quarter with respect to the two Australian based aquafeed trials which the Company has been developing in conjunction with its Auckland based aquafeed/stockfeed consultant, ENH Ltd.

These trials are aimed at improving the growth rates, health and product quality of two aquatic species which are currently being commercially farmed in Australia, by using specialized manufactured feeds which are to be developed for the purpose of the trials.

The most significant of these trials will commence in early 2014 and Plentex expects to be in a position to make an announcement about this trial prior to the end of the calendar year.

Plentex is optimistic that this trial will be successful and if this is the case, Plentex will then carry out a definitive feasibility study with a view to developing and operating, probably with the support of a major joint venture partner, a state of the art aquafeed manufacturing facility.

OTHER BUSINESS (Non Algae)

Nest Group Limited (Nest)

During the quarter considerable progress was made by Nest in developing its business which is focused on the commercialization of university sourced innovative technologies, principally in the digital and health care sectors.

Flinders Partners Pty. Ltd. (the commercial arm of Flinders University) and Plentex continue to act as the sponsors of Nest.

Nest has invested in three high quality "start up" companies and is currently assessing several other promising investment opportunities.

Nest is currently seeking interim funding and intends, subject to market conditions, to raise further funds by way of an IPO in the second half of 2014 and seek listing on the ASX. Plentex holds 16,000,000 fully paid ordinary shares in Nest, representing approximately 39% of its issued capital. Flinders Partners is currently the major shareholder.

CORPORATE

Capital Raising

During the quarter the Company issued 70,000 fully paid ordinary shares (PRM) at an issue price of 10 cents per share. The funds raised by the issue of these shares have been applied as working capital.

Lapsing of Class B Performance Shares

The Company's remaining Class B Performance Shares lapsed on 16 September 2013.

Plentex Capital Structure as at 31 October 2013 is as follows:

40,493,183	fully paid ordinary shares
14,945,428	options exercisable at 25 cents at any time prior to 30 November 2013
6,710,000	options exercisable at 25 cents at any time prior to 30 September 2014
6,750,000	Directors and Management options exercisable at 30 cents at any time prior to 30 November 2014 subject to share price performance hurdle (35 cents plus – for over 30 trading days)
18,000,000	Class C Performance Shares

Biovite Acquisition Funding and related matters:

The Non Binding Letter of Intent that the Company has entered into to acquire the Biovite business and certain assets from Biovite is subject to the satisfaction of several conditions precedent before completion of the acquisition can take place.

These conditions precedent will be reflected in the detailed Sale of Business Agreement which the parties are currently negotiating and amongst other things will require:

- Plentex to obtain shareholder approval for the issue of shares and options to the public and Plentex's existing shareholders and for the issue of shares and options to Biovite in accordance with the Corporations Act 2001 (Cth) and the ASX Listing Rules;
- Plentex raising sufficient capital to fund the cash component of the Biovite acquisition, expansion of the business of Biovite, Plentex's existing and planned projects and corporate and administrative costs over the next two years;
- ASX approving reinstatement of Plentex's shares to quotation on the ASX, subject to and with effect upon Plentex completing the fundraising and acquisition.

In order to satisfy the conditions outlined in dot points 2 and 3 above, Plentex will be required to issue a prospectus and to comply with Chapters 1 and 2 of the ASX Listing Rules.

The Sale of Business Agreement will establish a time frame in which these and the other conditions precedent must be satisfied (or in some cases waived), and an announcement regarding this time frame is expected to be made to the ASX in November 2013.

The Appendix 5B - Mining Exploration Entity Quarterly Report is annexed hereto.

Yours faithfully,
for and on behalf of
PLENTEX LIMITED



PETER C. STREADER
Executive Chairman

About Plentex

Plentex Limited (ASX:PRM) aspires to be Australia's leading producer of sustainable, algae-derived products and raw materials for multiple industries.

These products and raw materials from macro and micro algae may be processed to produce a portfolio of high-value products, including nutraceuticals, cosmeceuticals, pharmaceuticals, livestock and aquaculture feeds and supplements, chemicals, fertilisers and biofuels.

Plentex is a project development company that through harnessing strategic relationships brings together world class technology companies and partners to optimise its project outcomes.

For further information contact:

Peter Streader
Executive Chairman
Plentex Limited
Telephone: +613 95553 8896
Email: admin@plentex.com.au

Daniel Goldman
Managing Director
Plentex Limited
Telephone: +613 9553 8896
Email: dgoldman@plentex.com.au

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

PLENTEX LIMITED

ABN

13 009 607 676

Quarter ended ("current quarter")

30 September 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(325)	(325)
-	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) – R&D Grant	279	279
Net Operating Cash Flows		(46)	(46)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	- Project Development	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(46)	(46)

1.13	Total operating and investing cash flows (brought forward)	(46)	(46)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	7	7
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	7	7
	Net increase (decrease) in cash held	(39)	(39)
1.20	Cash at beginning of quarter/year to date	169	169
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	130	130

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	--	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development - algae projects and business development	115
4.3 Production	-
4.4 Administration	65
Total	180

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	130	130
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	130	130

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed (Note 2)	EPM18232 - Qld	100% held by PFAC (Note 1)	100%	Nil
6.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Notes:

1. PFAC means Pacific Fertilisers And Chemicals Pty Ltd which is a subsidiary of Plentex Limited.
2. Subsequent to the end of the quarter PFAC advised the Queensland Mines Department that it wishes to relinquish EPM 18232.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	*Ordinary securities	40,033,183	40,033,183	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	70,000 -	70,000 -	10 cents -	10 cents -
7.5	*Convertible debt securities <i>(description)</i>	-	-	-	-

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Performance Shares (PRMAQ) (B Class) (not quoted)	THESE PERFORMANCE SHARES EXPIRED DURING THE QUARTER.	-	-	-
7.8	Performance Shares (PRMAS) (C Class) (not quoted)	18,000,000	18,000,000	-	-

7.9 **Options (Unlisted)**
(description and conversion factor)

Unlisted options (PRMAK) expiring 30 November 2013 exercisable at 25 cents.

14,945,428 14,945,428 25 cents N/A

7.10 Issued during quarter (unquoted)

- - - -

7.11 Exercised during quarter (unquoted)

- - - -

7.12 Expired during quarter

Nil Nil - -

7.13 **Options (Unlisted)**
(description and conversion factor)

Unlisted options (PRMAW) expiring 30 September 2014 exercisable at 25 cents.

6,710,000 6,710,000 25 cents N/A

7.14 Issued during quarter (unquoted)

- - - -

7.15 Exercised during quarter (unquoted)

- - - -

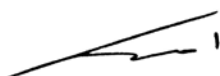
7.16 Expired during quarter

- - - -

7.17	Options (Unlisted) <i>(description and conversion factor)</i>	Unlisted options (PRMAI) expiring 30 November 2014 exercisable at 30 cents (subject to performance hurdle).			
		6,750,000	6,750,000	30 cents	N/A
7.18	Issued during quarter (unquoted)	-	-	-	-
7.19	Exercised during quarter (unquoted)	-	-	-	-
7.20	Expired during quarter	-	-	-	-
7.21	Debentures <i>(totals only)</i>	-	-		
7.22	Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: **31 October 2013**

Print name: **PETER CLIVE STREADER**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

