INNOPAC HOLDINGS LIMITED
(Company Registration No. 197301788K)

MEDIA RELEASE

INNOPAC HOLDINGS FORMS JV WITH PRIMEFORTH RENEWABLE ENERGY FOR CULTIVATION OF MICROALGAE

- Primeforth's expertise and patented technologies are capable of producing biofuel from microalgae with 300 times the yield of the best oilseed, enabling the JV to provide a price-competitive alternative to conventional fuels
- JV to operate its first microalgae farm in Singapore with expansion plans in Malaysia (the "Project")
- Plans for R&D to produce other high-value downstream products such as pharmaceuticals, nutraceuticals, and cosmeceuticals

SINGAPORE, 22 September 2015 – Mainboard-listed **Innopac Holdings Limited** ("Innopac" or the "Company") today announced that it has signed a Joint Venture Agreement ("JVA") with Primeforth Renewable Energy Private Limited ("Primeforth") to commercially cultivate microalgae and engage in its downstream activities which include the production of biofuel, pharmaceuticals and nutraceuticals. The JVA will use the proprietary and patented technologies of Primeforth to achieve world-class cost efficiencies in the cultivation and processing of microalgae.

Primeforth is a company headed by Mr Peter Kim Jae Hoon who has 30 years of experience in the construction and operation of bio-diesel production plants in Japan, South Korea and the USA. Mr Kim holds six patents for the cultivation and harvesting of microalgae and was the principal consultant for two multi-hundred million dollar microalgae farms in Japan.

Innopac and Primeforth have agreed to incorporate a private limited company ("JVCO") in Singapore with issued share capital of Singapore dollars one million (S$1,000,000). The initial equity for the JVCO will be subscribed in the proportion of Company - 70% and Primeforth - 30%.

Mr. Wong Chin Yong, Managing Director and Chief Executive Officer of Innopac said, ***"The demand for clean fuel is always there, but the issue is to provide it at a price which makes it competitive as compared to traditional fuels. In this regard, this JV's cost-efficiencies will enable us to provide an attractive alternative to conventional fuels."***

Salient terms of the JVA

The partners shall incorporate a company (the "JVCO") for the purpose of the JVA and the business of the JVCO shall be the cultivation and processing of microalgae using Primeforth's proprietary, patented know-how and technologies with special focus on the recovery of algae oil. The first facility shall be located in Singapore while the JVA will also explore expansion in Malaysia.

The Company shall provide the initial and additional capital for the JVCO from time to time, and shares will be allocated to the shareholders in accordance with the shareholding ratio.

The Company shall provide assistance to the JVCO in the areas of business development and financial management, while Primeforth shall be responsible for the areas of operational management related to the execution and roll-out of the Project, as well as other technical matters.

About Microalgae

Microalgae are microscopic algae which can grow rapidly with sunlight, carbon dioxide and the right nutrients. Microalgae is a sustainable source of renewable oil (bio-crude) and ingredients used in pharmaceuticals, nutraceuticals, cosmetics and aquaculture. Algae bio-crude can be used to manufacture a range of fuels including gasoline, diesel or jet fuel which meet current emission and quality standards and specifications. By-

products of microalgae processing include high protein nutrients that can be used in the manufacture of animal feeds.

Microalgae's attractiveness lies in its superior cost efficiencies as compared to production of biofuels from other oilseeds.

As an example, Palm Oil, which is the highest yielding oilseed crop produces 1.08 metric tonnes of oil per hectare of land used and requires 3-4 years of growth before it is ready to be harvested. The same land area used for the cultivation of microalgae produces 360 metric tonnes of oil and can be harvested daily within six months of start-up.

Primeforth's proprietary technologies for plant design, optimal land use and nutrient formulation provide conditions that enable the microalgae to double in volume daily (100% daily growth). The cultivated microalgae also has a very high oil content of 67%. In addition, Primeforths specially-designed standard sized tanks with integrated water filtration, aeration and other control systems results in a completely scalable business model for rapid expansion of production volume with minimal additions to CAPEX.

Mr. Wong added, "***The inherent cost efficiencies of this JV makes for a higher probability of commercial success. There is also the potential to reap further value-add as we engage in R&D to produce other high-value downstream products from the microalgae oil***."

Oil produce per acre of land use (litres) by type of crop

Oilseed crop	Produce per acre (litres)
Corn	82
Soyabean	220
Safflower	377
Sunflower	463
Rapeseed	576
Palm Oil	450
Microalgae Oil	150,000

** Source: U.S. Department of Agriculture*

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 22 September 2015.

About Innopac Holdings Limited

Innopac Holdings Limited is listed on the Main Board of the Singapore Exchange Securities Trading Limited.

Started in 1973, Innopac is an investment holding and management company headquartered in Singapore. It currently has a 90% stake in a natural gas distribution company in Dezhou, China and it has investments in real estate, real estate development and equities. The group also provides management services to its related companies in technology and trading.

Innopac continues to seek investment and acquisition opportunities, particularly in the natural resources sector. The Group is actively looking for investments and acquisitions that can deliver consistent profits, cash flow and growth potentials.

For more information, please visit Innopac's website at http://www.innopacific.com.

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