

Ingredient Solutions

MEDIA RELEASE

19 November 2008

\$27.5 million milk protein facility to be built in Taranaki

Ingredient Solutions Limited, chaired by Peter Jensen, today announced it is seeking to raise \$27.5 million to develop high-value protein products at a new milk-processing plant in South Taranaki.

The facility will produce 'un-denatured' micellar casein, whey protein isolate and protein hydrolysates for export.

Acting Ingredient Solutions Chief Executive, Dr Neil Domigan, said "the plant will be the first in New Zealand to produce these proteins close to their natural state which means they will have a high nutritional value and will provide processing advantages.

"Proteins are complex molecules and are easily damaged but the proteins produced at our plant will be of a quality that can be used in sports nutrition drinks and other high-value products," Dr Domigan said.

A grant to review potential sites for the milk-processing facility has been provided by South Taranaki District Council.

Dr Domigan said "now is a good time to raise the \$27.5 million because global demand for proteins that add value to premium food products is strong despite the downwards trend in commodity prices.

"A letter of intent to acquire up to 40 percent of Ingredient Solutions' equity has been signed by a North Asian investor who is also looking to buy all product produced at the facility for the first three years," Dr Domigan said.

"The capital raising represents a rare opportunity to invest in the New Zealand dairy processing industry and the experienced Board of Directors will give investors confidence," he said.

The Board includes Peter Jensen ONZM, a former NZ Dairy Board Deputy Chairman, Peter Walker who led the development of the Kiwi Milk Processing Plant in Hawera, one of the largest in the world, and Brent Ogilvie of Pacific Channel Ltd, a company with a strong track record in establishing life science businesses.

The share offer, which comprises 27.5 million Ingredient Solutions ordinary shares at \$1 per share, is conditional on Ingredient Solutions receiving applications for at least 17.5 million shares. The offer will close on 23 January 2009 and the minimum investment is 500,000 shares. The Directors reserve the right to accept applications for up to 30 million new shares if the share offer is oversubscribed.

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Dr Domigan said “the new plant is scheduled for completion in 2009.”

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The Ingredient Solutions Limited Prospectus and Investment Statement is available on:
www.pacificchannel.com

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