



**Australian
Agricultural
Projects Ltd**

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**MARKET UPDATE
QUARTER ENDED 31 DECEMBER 2014**

ANNOUNCEMENT

30 JANUARY 2015

The December 2014 quarter

The Company is pleased to present its quarterly cash report for the period ended 31 December 2014 and advises:

- A review of flowering and fruit set has confirmed management's expectation that this year's harvest will be greater than the 2014 harvest (608,700 litres) but most likely less than the record harvest of 2013 (884,200 litres). A major determinant to the final amount of oil harvested will be the level of oil accumulation over the next three months which is always subject to climatic conditions.
- Water continues to be widely available on the temporary water markets and while the prices continue to be greater than at the same time last year, they are within the range expected by management.
- The focus of the orchard management team in the lead up to harvest will be:
 - Ongoing irrigation and fertigation;
 - Monitoring for disease and the application of risk reduction strategies; and
 - Replanting a 1,000 tree section of the orchard that did not recover from the floods.

Quarterly cash flow

The cash receipts for the December quarter amounted to \$854,000 which largely represented the proceeds from the sale of oil under the olive oil supply agreement. The operating surplus of \$319,000 was in line with management expectations.

The debt reduction of \$87,000 relates to the ongoing reduction in hire purchase and commercial bill liabilities. The Company's harvest overdraft facility (\$500,000) has now been completely paid down but remains available to the Company to draw on as harvest commences in May 2015.

Management anticipates net operating cash flows to again be positive in the March 2015 quarter and then negative in the June 2015 quarter as the annual harvest is completed.

AUTHORISED BY:

Paul Challis
Managing Director

Enquiries may be directed to:

Paul Challis – Managing Director

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005, 17/12/2010.

Name of entity

AUSTRALIAN AGRICULTURAL PROJECTS LIMITED

ABN

19 104 555 455

Quarter ended ("current quarter")

31 DECEMBER 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	854	1,678
1.2 Payments for		
(a) staff costs	(99)	(196)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital (including orchard management and administration costs)	(362)	(751)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	1
1.5 Interest and other costs of finance paid	(74)	(153)
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net operating cash flows	319	579

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	319	579
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	319	579
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(87)	(175)
1.19 Dividends paid	-	-
1.20 Other	-	-
Net financing cash flows	(87)	(175)
Net increase (decrease) in cash held	232	404
1.21 Cash at beginning of quarter/year to date	(78)	(250)
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	154	154

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(42)
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Executive Directors' remuneration	(33)
	Secretarial Services	(9)

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

N/A

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

N/A

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	Refer below	-
3.2	Credit standby arrangements	Refer below	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

The financing facilities of the Company at 31 December 2014 comprised:

	Amount available \$A'000	Amount used \$A'000
Bank overdraft limit	-	-
Bank bills	2,555	2,555
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	2,555	2,555
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Note:

The Company operates a seasonal overdraft facility where the limit available fluctuates between nil and \$500,000. As at 31 December 2014, the limit is nil.

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
4.1 Cash on hand and at bank	154	195
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	(273)
4.4 Other	-	-
Total: cash at end of quarter (item 1.22)	154	(78)

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	NIL	NIL
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: **30 January 2015**
(Managing Director)

Print name: **Paul Challis**

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 definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting 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.

+ See chapter 19 for defined terms.