



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

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Businesses at NELHA Experience Spectacular Growth in Production and Exports

KAILUA-KONA – The Natural Energy Laboratory of Hawaii Authority (NELHA) businesses are experiencing a surge in product sales, which are a major factor in Hawaii's aquaculture record high sales in 2014.

A review of export data indicates a majority of this increase in production is also being exported outside the U.S. Products produced at NELHA now rank first and second in the state. This data is consistent with a recent University of Hawaii Economic Research Organization analysis, which showed economic impact from NELHA expanded about 40 percent between 2010 and 2013. The 2014 numbers show the strong continuing growth trend for businesses at NELHA.

The USDA's National Agricultural Statics Service and the State of Hawaii Department of Agriculture recently reported that Hawaii's aquaculture sales reached \$78.2 million in 2014, a 40.4 percent increase over 2012 sales. This increase in aquaculture products sales, which include shellfish, finfish and algae of which a majority is produced at NELHA, is the third major product and the largest increase since 2010. Algae alone is responsible for almost 50 percent at \$33.1 million in 2014.

A large part of the increase in the aquaculture production and export is also related to the growth in shrimp broodstock companies at NELHA. An example of this increase can be attributed to Shrimp Improvement Systems, which moved its worldwide headquarters from Key West in Florida to NELHA several years ago. Some experts say Hawaii has now become the "shrimp broodstock capital of the world" and may account for up to 60 percent of total worldwide production. Much of this production is exported to Asia for grow out.

Export data (excluding re-exports) from the U.S. Federal government show that the Fish, Crustaceans and Aquatic Invertebrates export category (generally aquaculture) has increased from third highest export in 2012 to second in 2013 and highest export product at \$32.5 million in 2014. The exports for this category increased by 77 percent over this time period. "Beverages, Spirits and Vinegar," are another important export sector for businesses at NELHA. This category, which includes bottled water, was the

highest commodity exported from Hawaii in 2012 and 2013 and dropped to second place in 2014 with the surge in aquaculture.

“An export focus is critical to support future economic growth,” said Luis Salaveria, director of the Department of Business, Economic Development and Tourism. “This surge in product sales is very encouraging, since export activity is a strong economic driver.”

Brent Bailey, Cyanotech Corporation (NASDAQ: CYAN) President and CEO, which manufactures microalgae based nutritional supplements at NELHA, stated that “we are seeing very positive results from our recent investments in facilities at NELHA and demand for our products continues its strong growth pattern experienced in the past several years”. Bailey stated that “we are also seeing strong growth in our international sales, primarily due to initial shipments of BioAstin into China”. BioAstin is an astaxanthin product sold through Cyanotech’s Nutrex Hawaii brand.

Shrimp Improvement Systems LLC President David Leong, explains that “SIS continues to build strategic alliances with key players within the shrimp industry to improve our technology. We work with companies in Asia as well as the Americas, and firmly believe these relationships are an important factor in helping SIS to develop a continuously improved product year after year. These relationships have helped SIS and our partners to continue to expand the global shrimp aquaculture industry.” SIS is in position to continue building upon its recent successes.

“We are thrilled by the growth in aquaculture sales and increased exports and the very significant contributions from NELHA firms that are leading this surge”, says NELHA’s Executive Director Gregory Barbour. “We look forward to seeing this favorable trend continue as more projects in this Blue Tech category come online in the park.”

About NELHA (Natural Energy Laboratory of Hawaii Authority):

NELHA is a state agency, attached to the state Department of Business, Economic Development and Tourism (DBEDT). NELHA administers the world’s premier energy and ocean technology park (HOST Park). This unique master-permitted park is located on 870 acres of prime coastal property in Kailua-Kona, Hawaii and offers research support facilities for the development of renewable energy and other demonstration projects that utilize the unique resources found at the park. It is the world’s only facility that continually brings ashore high quality, pristine supplies of both warm surface and cold deep seawater 24 hours a day, which helps to reap economic potentials from the dual temperature seawater delivery system and high solar insolation. Tenants located in HOST Park work at the pre-commercial, commercial, research and educational levels. It is the largest diversified economic development project in the state and is solely focused on developing sustainable economic development projects and blue technology.

About DBEDT (Department of Business, Economic Development & Tourism)

DBEDT is Hawaii’s resource center for economic and statistical data, business development opportunities, energy and conservation information, and foreign trade advantages. DBEDT’s mission is to achieve a Hawaii economy that embraces innovation and is globally competitive, dynamic and productive, providing opportunities for all Hawaii’s citizens. Through its attached agencies, the department fosters planned

community development, creates affordable workforce housing units in high-quality living environments, and promotes innovation sector job growth.

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