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24 November 2017

ANNOUNCEMENT 547

Company Announcements Office
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Dear Sir

RE: ANNUAL GENERAL MEETING OF SHAREHOLDERS
ADDRESSES TO SHAREHOLDERS

Seafarms Group will hold its Annual General Meeting (**AGM**) today, 24 November at 10.00am.

Enclosed is a copy of the Addresses to Shareholders which will be presented at the AGM.

Yours faithfully

Seafarms Group Limited

Harley Whitcombe
Company Secretary

ENC

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Annual General Meeting
November 2017

Transformation of Australia's largest aquaculture shrimp producer into a global player

Seafarms Group Limited

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Acknowledgement of Country

We'd like to begin by acknowledging the Traditional Owners of the land on which we meet today, the Wurundjeri, Boonwurrung, Taungurong, Dja Dja Wurrung and the Wathaurung people of the Kulin nation and pay my respects to Elders past and present.

Seafarms Group Limited Overview

- Chairman's Overview
- Overview of Seafarms Group
- FY17 Overview
- Operations
- PSD – Overview
- PSD – Investment Opportunity
- PSD – Design
- CO2 Australia

Chairman's Overview

Chairman's Overview

Welcome Ladies and Gentlemen to the Seafarms Group Limited 2017 Annual General Meeting.

The 2017 year has been a very significant year for the Company with all the major licences and agreements needed to build and operate the company's world class Project Sea Dragon (PSD) project being successfully finalised. This achievement should not be underestimated, as a number of these were achieved in record time and/or were a first for a project of this size. In particular, I would like to formally thank the Traditional Owners for the support they have shown for PSD.

Government support at Territory, State and Federal levels remains strong for PSD. As previously announced numerous agreements and commitments include infrastructure upgrades, provision of land for processing facilities and construction workforce accommodation.

Market conditions for Project Sea Dragon remain highly favourable. Market demand for the PSD product remains strong for our planned production tonnage and size of animal. The general market trend is for more product, more quickly.

Chairman's Overview cont.

Given that the company has now successfully secured all the major licences and agreements needed to build and operate PSD, the level of engagement with potential investors, financiers, JV partners, product offtakers, processors and retail channels has significantly increased as PSD approaches "Investment Ready Status". The number of unsolicited investor approaches has continued as the reality of PSD is becoming more commonly understood.

Financing of the initial production stages of PSD is clearly our most important task at hand now, in the short to medium term and the company remains resolute in maintaining the maximum equity ownership of PSD by its shareholders specifically and by Australians in general.

With regard to our CO2 Australia business it continues to be profitable and an important source of cash flow to Seafarms Group.

Finally I'd like to thank my fellow Directors, management, staff, advisors, research partners and our supporters in regional Northern Australia.

2018 will be the year of the Dragon.

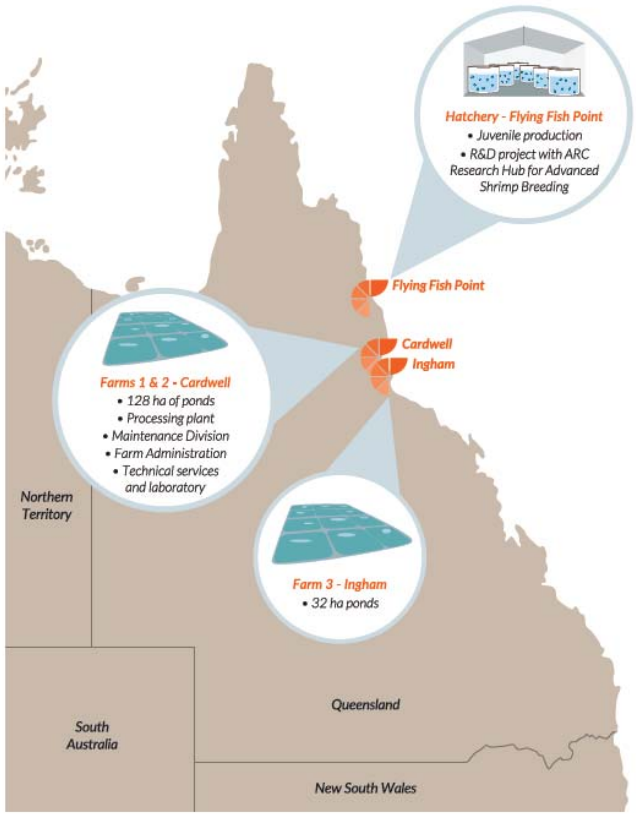
Overview of Seafarms Group

Overview of Seafarms Group Operations

Seafarms Group Limited (SFG) is currently Australia's largest producer of farmed prawns, underlining its operational aquaculture expertise.

- SFG is an ASX listed Australian agri-food company, with a current market capitalisation of c. A$97 million
- Seafarms is rapidly advancing its world class Project Sea Dragon (**PSD**) project:
  - A large scale, integrated, land-based shrimp/prawn aquaculture project in Northern Australia
  - At full production, PSD will become the only producer from a developed country offering a significant volume of superior shrimp product
  - Annual estimated revenues in excess of US$2.3b
  - SFG is Australia's largest producer of farmed prawns under the well known Crystal Bay brand (producing Banana and Black Tiger Prawns). It produces +1,700 tonnes p.a. in Queensland (Cardwell), equal to 37% of the Australian prawn aquaculture market
- The Queensland operations are a fully vertically integrated facility and have provided the company with a platform to develop and test best practices for its planned industrial scale PSD operation.
- CO2 Australia carbon and environmental services company continues to provide cashflow to SFG

Queensland Aquaculture Operations



Overview of Seafarms Group Team

Highly experienced management team across project development and management, aquaculture operations, finance and business development.

Key SFG Management Team Members

Ian Trahar

Executive Chairman

- Extensive experience in the resource and financial services across multiple industries and organisations
- Previous roles include joint CEO of Avatar Industries, Chairman of Ranger Minerals along with executive roles at Shell Australia and Citibank

Dr. Chris Mitchell

Managing Director - PSD

- 20+ years experience in Australian and international climate change research holding both senior and executive roles
- Foundation Director of the Centre for Australian Weather and Climate Research

Ian Leijer

Commercial Director

- Chartered Accountant with 20+ years experience in corporate finance, strategy and business management
- Previously CFO of former ASX listed Company Avatar Industries Ltd and interim CEO of ASX listed Kresta

Dallas Donovan

Chief Operating Officer

- 20+ years aquaculture experience including technical and production management, harvesting, processing and marketing
- 6 years managing the National Prawn Company in Saudi Arabia - one of the world's largest fully integrated aquaculture operations

Jairo Llanos

Technical / Production Manager

- 35+ years of experience in Saudi Arabia and South America
- Direct experience managing commercial shrimps operations, including extensive experience in large scale prawn/shrimp aquaculture including hatchery, breeding programs and grow out.

Rod Dyer

Chief Projects Officer

- 35+ years of experience in the leadership and delivery of a wide range of Projects and Project Programmes over a diverse range of Industry.
- Previous roles include Executive General Manager Projects for Macarthur Coal, Chief Projects Officer for Peabody Energy, VP Projects for BMA as well as project delivery roles for various food companies.

Achievements Since November 2016 AGM

- November 2017
  - Non Pastoral Use Permit issued. This allows aquaculture activities to be undertaken at Legune Station.
- September 2017
  - Secured a banking facility with HSBC for its Queensland Operations.
  - Finalised the Project Development Agreement with the NT Government. Provides a pathway for the entire 10,000 ha PSD and its associated infrastructure.
- August 2017
  - Finalised an Indigenous Land Use Agreement for the entire 10,000 ha PSD project area.
- June 2017
  - Finalised a long term land lease agreement with the WA Government for its PSD processing plant, which will be located in Kununurra.
  - Finalised a $12.6 million capital raising. Funds raised from major domestic, international, institutional, professional investors and existing shareholders. Funds will be used to continue to fast track PSD.
  - Retirement of A$2.5 million in debt.
- May 2017
  - PSD receives Commonwealth Environmental Approval.
  - NT Government announce a $17.5 million commitment to facilitate the upgrade of the Keep River Road to support PSD.

Achievements Since November 2016 AGM

- April 2017
  - NT Environmental Protection Authority approves the proposed development of PSD key breeding facility at Bynoe Harbour in NT.
- March 2017
  - NT Government Environmental Protection Authority approves the Stage 1 development of PSD at Legune Station.
- February 2017
  - Performance of trial production ponds at Legune Station confirmed and demonstrated the engineering feasibility of the major earthworks required for the PSD development.
- Other
  - Numerous secondary licences secured for PSD
  - Further significant operational outcomes at company's Queensland operations.
  - Domestication and breeding programs already delivering significant operational outcomes.
  - Carbon business continues to be cash flow positive.

Seafarms
Financial Overview FY17

SFG Financial Outcome for the 12 months ending 30 June 2017

- For the 12 months reporting period to 30 June 2017, Seafarms has reported a loss in the order of $19.8 million, reflecting the positive cash contributions of domestic shrimp and carbon operations whilst fully expensing all PSD development costs, as required by the Australian Accounting Standards. The loss was within Directors expectations.
- The financial outcome for Seafarms is heavily influenced by the high level of expensed investment in developing PSD which to date is in the order of $43 million with a further $29 million capital invested in the North Queensland pilot program and operations.
- The Company's North Queensland operations strong financial performance is summarised below.
- A 23.3% rise in reported revenues from shrimp sales to around $29.3 million reflects further significant ongoing improvements being achieved in all key operational areas.
- Successfully raised $12.6 million (before costs) from existing and new institutional and retail shareholders. Funds are being used to fast track Project Sea Dragon development.

Seafarms Group Limited Corporate Overview

ASX Listing Code	SFG
Market capitalisation (November 2017)	$97m
Shares on Issue	1,403m
Cash, Debtors & Inventories (as at 30 June 2017)	$25.7m
Long Term Debt (as at 5 July 2017)	$5.5m
Financial Year End	30 June
Directors Shareholdings	36.1%
Directors	Ian Trahar (Executive Chairman) Harley Whitcombe Chris Mitchell Paul Favretto
Company Secretary	Harley Whitcombe

Operational Overview

Current Operations

- Hatchery (A)
  - Innisfail
    - Domestication program
    - R&D Project with ARC Research Hub for Advanced shrimp Breeding
- Farms
  - Cardwell (B)
    - 128 ha of ponds
    - Processing plant
    - Maintenance division
    - Farm administration
  - Ingham (C)
    - 32 ha of ponds
- Founder Stock Centre
  - Exmouth (D)
    - Biosecure broodstock breeding facility

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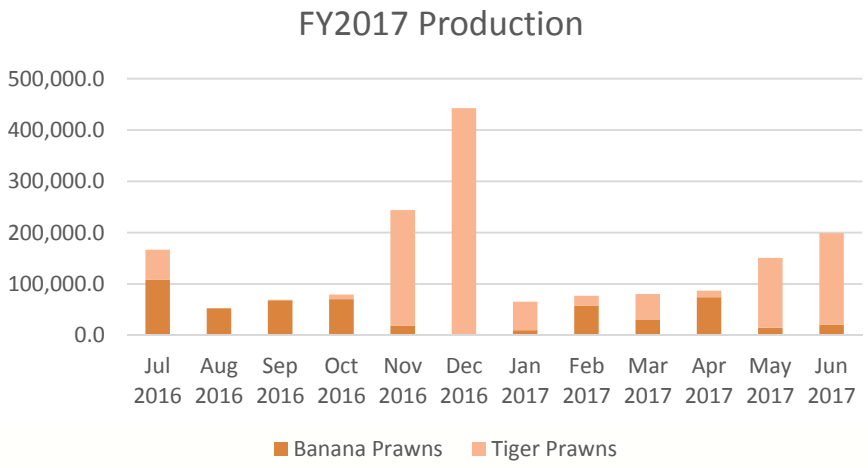
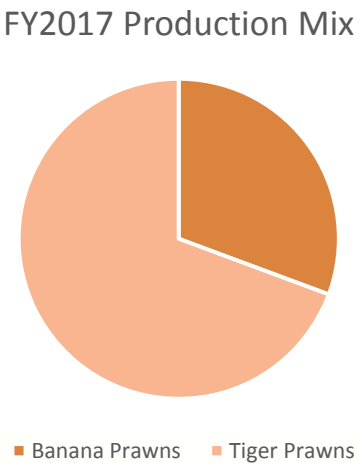
Production Overview – FY17

- Production 1,714 tonnes – up 41%
- Black tiger production 69% – Black Tiger yields up 35% in FY17.
- All PLs from Seafarms' hatchery – this further reduces disease risk. Significant increases in survival rates for FY17.
- Productivity up 33%
- Continues focus on productivity improvements:
  - Increase yield and outputs
  - Investing in R and D
  - Identification and implementation efficiencies across all aspects of operations.





Operational Outcomes – FY17

- Further significant operational improvements achieved at Cardwell.
- Key KPI outcomes for FY17 (when compared to 12 months FY16) include:
  - Revenue ↑23%
  - Gross margins ↑493%
  - EBITDA ↑213%
  - Production (t) ↑41%
  - Yield (t/ha) ↑31%
  - Survival ↑27%
  - Processing rates ↑17% *(kg/man hour)*
  - Food conversion ratio ↓10%
- Operational processes in place proved successful in the effective management of East Coast endemic diseases during FY17.
- Cardwell operation also under feed and stocking density trials during FY17, as well as being used as a training facility for PSD.

Operational – Outlook for FY18

- Company expects a similar production tonnage to FY17. A recent unseasonal period of low temperatures accompanied by a heavy rain event have triggered poor health of animals in some ponds resulting in reduced growth rates and survival.
- Independent testing by James Cook University has identified an endemic virus known as YH7. YH7 is not an exotic virus, it is naturally present in Queensland waters and normally has no impact on production. There are no human health impacts resulting from YH7. Retrospective analysis indicates that wild broodstock from Queensland waters was the origin of the virus.
- Project Sea Dragon's quarantine, screening, domestication, selection and breeding program will lead to only domesticated Specific Pathogen Free animals in production ponds. The families produced at our Exmouth Facility for our PSD project have tested negative for the YH7 virus and other viruses.
- Seafarms' management team has a high level of expertise in managing such events as the previously announced 2015 east coast endemic PMMS experience indicates. PMMS has been, and continues to be, successfully managed and controlled as evidenced by the 41% increase in the company's production in FY17.

Biosecurity

- **Cardwell issues** – in 2015 Seafarms identified an east coast endemic disease which affected production in FY2016. Seafarms management has been working with both local and international experts and have developed and implemented operational management protocols for managing this endemic disease. The results of these processes are reflected in the FY2017 production results.
- Seafarms combine disciplines to holistically tackle biosecurity in a multidisciplinary approach
- The WSSV outbreak reinforces the design and choice of site for PSD, where geographic isolation, a high level of inbuilt biosecurity, use of domesticated (and SPF) stock and recirculation are core criteria to maintain a biosecure and disease free operating environment.
- **Production of Specific Pathogen Free (SPF) broodstock** – The use of SPF broodstock is universally recognised as one of the leading ways to maintain disease free operating environments. Seafarms continues to develop SPF broodstock in line with its biosecurity strategy for PSD. Seafarms' Exmouth facility has successfully produced families in line with this strategy.

Biosecurity

- **Industry issues updates** – In December 2016 White Spot Syndrome Virus (WSSV) was detected on prawn farms in the Logan River area in South East Queensland. All prawn farms in the area have undertaken a 2 year dry off and been a part of a focused eradication program with Biosecurity Queensland.
- State-wide surveillance for the virus that causes white spot disease has recently concluded with all samples collected returning negative results for the virus. According to the Queensland Government, the negative results indicate that the disease may not be established in Moreton Bay and has not spread into other parts of Queensland. Further sampling work is required.
- The affected area is some 1,200km south of Seafarms operational sites and Seafarms is NOT affected by WSSV
- NO animals, at any Seafarms site have tested positive for WSSV and Seafarms continues ongoing surveillance of it's animals.
- Seafarms has developed and maintains a high level of operational biosecurity including surveillance, monitoring and control.

Research and Development

- Australian Research Council Hub for Advanced Shrimp Breeding
  - James Cook Uni, CSIRO, University of Sydney, Australian Genome Research Facility and Seafarms
  - Over 400 families have been produced at Seafarms Queensland Operations
  - RNA Sequence data assembled into a transcriptome of the Black Tiger shrimp
  - Discovery of over 40,000 DNA markers from Black Tiger shrimp stocks from:
    - Joseph Bonaparte Gulf;
    - Gulf of Carpentaria; and
    - Queensland East Coast.
  - DNASeq data is currently being assembled for a first draft genome
  - 120 SNPs have been defined as sufficient for the determination of parentage and 2,000 SNP+ providing high accuracy for the genetic relationship matrix.
- On-farm feed trials

ARC Research Hub for Advanced Prawn Breeding

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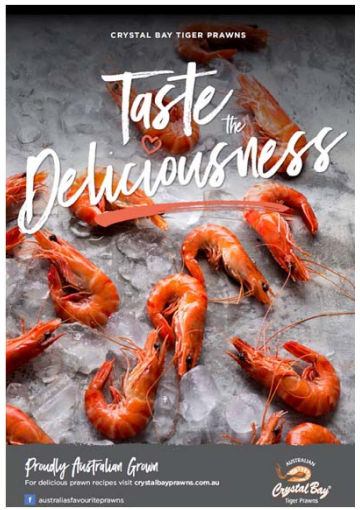
Marketing activities driving growth

- New brand tag line “Taste the Deliciousness” captures the brand essence - best tasting and highest quality.
- Video content centred on “Simple & Delicious Prawn Recipes” Recipe” videos have promoted ease of use and consumption.
- Consistent social media strategy has led to growth of social media followers and driven brand engagement.
- Export orders and international brand advertising developed.



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PSD – Overview

At full production, PSD will produce up to 150,000 tonnes per annum of black tiger shrimp, in 10,000 hectares of production ponds.

Full production to be achieved over several incremental stages.

PSD is Implementation Ready

SFG has proven operational experience, strong leadership team and regulatory approvals and support required to commence PSD implementation

Operational Experience	• SFG acquired the existing Queensland (QLD) aquaculture operations in January 2014 • SFG has since then developed operational expertise and best practice techniques over ~ 4 years • QLD operations achieved production of over 1,700 tonnes in CY2016 (~37% of total Australian prawn aquaculture production)
Management	• SFG has assembled a highly experienced and skilled management team in prawn aquaculture, at a scale far in excess of the QLD operations and equal to the first stages of PSD • Senior executives and operational management have significant experience in building and operating global scale vertically integrated aquaculture projects • Management team has over 200 years of combined aquaculture experience
Feasibility Study and Project Development	• SFG has completed feasibility studies • Finalised both the Indigenous Land Use Agreement (ILUA) and NT Project Development Agreement • Key environmental approvals / licences for Stage 1 have been received • Land access and option agreements have been signed
Government Relationships	• PSD has received the support of Territory, State and Federal Governments • Concessional loans to support the project are under discussion with the Northern Australia Infrastructure Facility ("NAIF") • Combination of Northern Territory, Western Australian and Commonwealth Governments have committed to funding road upgrades to support PSD, as well as other providing other significant support.

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Financing/JV discussions

- Program of vendor due diligence
  - Project Sea Dragon commissioned a series of reviewers to undertake detailed due diligence on the feasibility study:
    - Engineering – Breeding Program Facilities (Aurecon)
    - Engineering – Grow-out (GHD)
    - Production System and Processing (Poseidon)
    - Market (Poseidon)
    - Stage 1 Environmental (ERM)
    - HR (Change 2020)
    - Legal – Land tenure and licences (Corrs Chambers Westgarth)
    - Insurances (Marsh)
- Discussions with potential joint venture partners, bankers, investors and off-takers gathering significant momentum now that new licences to construct and operate PSD have been issued.

Financing/JV discussions

SFG has been working with an experienced team of advisors

Key Advisors

- Lazard – Global financial advisory firm
- Pareto – Global investment bank which specializes in seafood
- Corrs – Australian law firm
- PwC – Global accounting and tax firm

Technical and Engineering

- Aurecon
- GHD
- Wylie
- Watertech
- Golders
- Jebsens

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PSD – The Investment Opportunity

Key Investment Highlights

PSD is a unique investment opportunity

	Highlight	Comment
1	**BTP is a Premium Product to Tap into Strong Seafood Demand**	• Global seafood demand is expected to exceed supply by >50Mt in 2030, driven by growth in middle class population • PSD was conceived under secular trend of increased demand in protein and will produce up to 150,000 tonnes of prawns per year from 10,000 Ha of production ponds at full production, making it the world's largest producer of BTPs - BTPs attract a price premium over the most commonly traded White Prawn (WP) - Larger BTPs, the focus of PSD, attract an additional pricing premium - Strong marketability for "Made in Australia" BTPs as Australia is known for supplying quality and trusted food products
2	**Strong Operational Track Record**	• SFG has been operating existing QLD aquaculture operations since January 2014 and has been a major and reliable source of supply of BTPs in Australia • SFG has developed operational expertise and best practice techniques in BTP farming - Demonstrated a 13% yield improvement for BTPs over CY2016 at its QLD operations using in-house operational and breeding techniques - SFG is the commercial partner for James Cook University's Advanced Breeding and Genetics prawn research program focused on identifying genetic advances to improve size, yield and efficiency • Trial export shipments from QLD operations have demonstrated strong demand for SFG product
3	**Significant Barrier to Entry**	• Only a handful of sites around the world have the tropics suitable for BTP farming; furthermore, the combination of remoteness for improved biosecurity and proximity to the Asian markets of proposed PSD sites cannot be easily replicated PSD is the only major aquaculture project with major project status in Australia • BTP aquaculture requires more advanced breeding and domestication techniques, representing barriers to entry and enhancing BTPs' relative scarcity as a higher quality product • PSD is vertically integrated enabling PSD to maximise biosecurity, product consistency and to implement genetic research advances

Key Investment Highlights (cont'd)

PSD is a unique investment opportunity

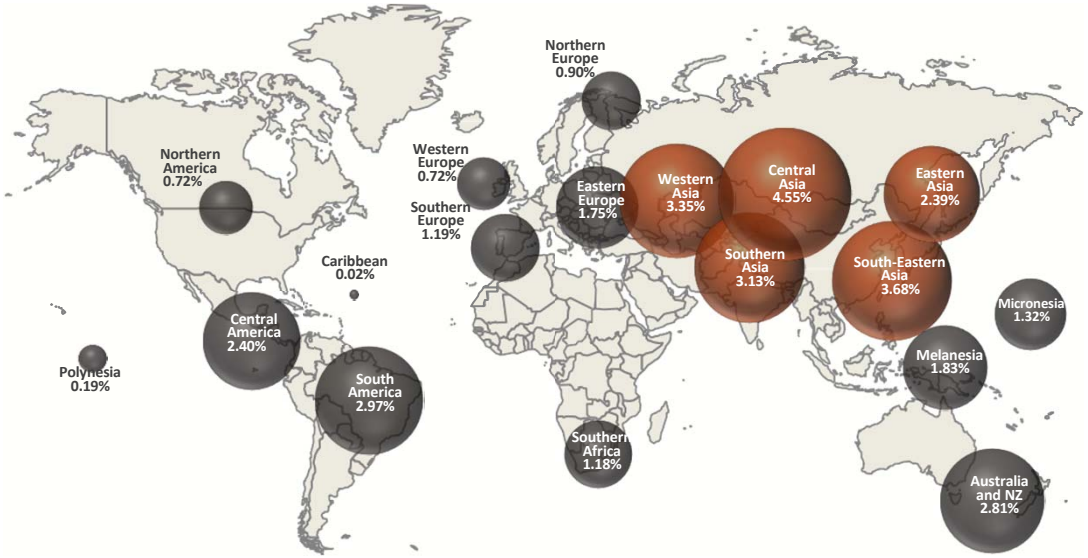
	Highlight	Comment
4	**Industry-leading Biosecurity Control**	• SFG has developed stringent biosecurity protocols and standards at its QLD operations, with best practice and key learnings to be applied to PSD • Biosecurity has been designed into both physical structure and operating procedures for the project - Separate locations for breeding, grow out and processing activities to mitigate disease risk - PSD self-selects healthy and Specific Pathogen Free (SPF) broodstock, eliminating pathogen entry pathway through broodstock - Specific project design elements (e.g., buffer zones, water treatment, access protocols) lead to improved biosecurity - Established emergency action protocol that "ring fences" any disease outbreak - Farms can be restarted quickly after any disease event with SPF stock, further ensuring that losses are minimized
5	**Supportive Regulatory Environment**	• China-Australia Free Trade Agreement enacted by both governments in June 2015 - Elimination of Chinese tariffs on Australian prawns within 4 years to further improve PSD's relative cost position • PSD was awarded Major Project Status by the Northern Territory Government, Western Australia Government and the Federal Government • Signed Indigenous Land Use Agreement (ILUA), the last step in securing the support of the traditional owners, and NT Project Development Agreement (PDA), providing the pathway for development for all 9 stages • Received key environmental approvals and licences for Stage 1 • Government support package includes upgrading access roads to all facilities
6	**Material Upside from Subsequent Stages**	• Stage 1 will include significant headwork infrastructure for subsequent stages • Limited incremental capital expenditure required for each subsequent stage aside from earthworks • Low fixed operating cost base, with majority of operating costs scalable to production volumes - QLD operations require 1 FTE for every 18 tonnes of prawns harvested, whilst PSD will target 1 FTE for every 88 tonnes at full production

Global Seafood Market

The global consumption of seafood has grown at a CAGR of 3.4% between 2009-2014, driven by rising populations but also rising per capita consumption

- Consumption growth has been particularly high in Asia

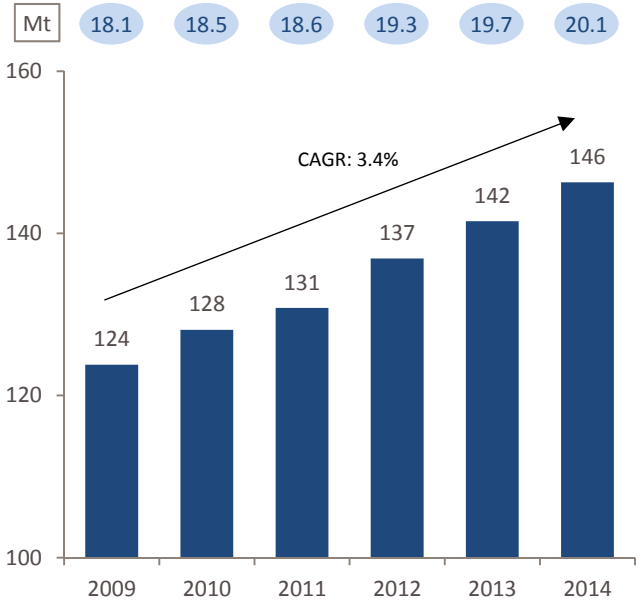
Increase in Seafood Consumption (2000 – 2013 CAGR)



Source: FAO.

High Growth Area Low Growth Area

Annual Global Seafood Consumption



Source: FAO.

Annual global seafood consumption per capita (kg)

Global Seafood Market (cont'd)

SFG seeks to tap into the accelerated demand for protein from a growing Asian middle class. A significant proportion of this new demand can only be met by seafood aquaculture

Key macro-economic trends

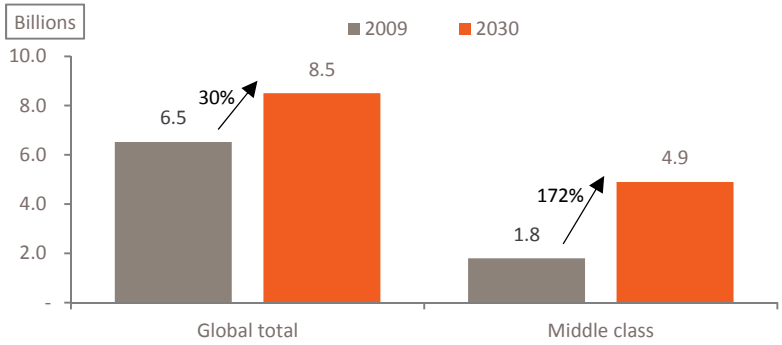
1. Global population expected to grow to 8.5 billion by 2030
2. Levels of urbanisation forecast to increase from 54% in 2015 to 60% by 2030
3. Global "middle class" forecast to increase from 1.8 billion in 2009 to 4.9 billion by 2030
4. Key source of growth is Asia, where seafood is culturally preferred over red meat

Impact

- Annual consumption of protein per capita to increase by 10%, from 41kg to 45kg by 2030
- Global seafood demand will increase by c. 86% from c. 140Mt in 2007 to c. 261Mt in 2030
  - Major part of daily Asian diet
- Forecast aquaculture supply growth is not sufficient to meet forecast demand growth
  - Current baseline supply growth projections to 2030 leave a shortfall of 50Mt

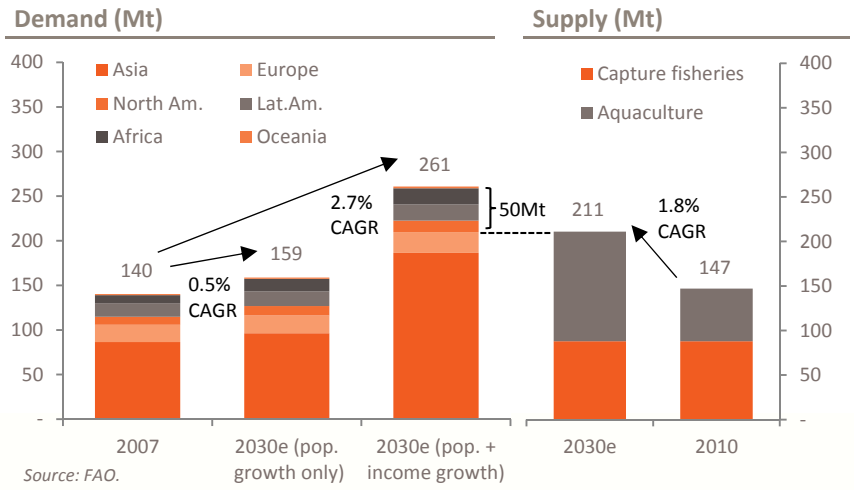
Source: UN, FAO, OECD Observer.

Growing Global Population and Middle Class



Source: UN, OECD Observer.

The Role of Seafood in Meeting Protein Demand

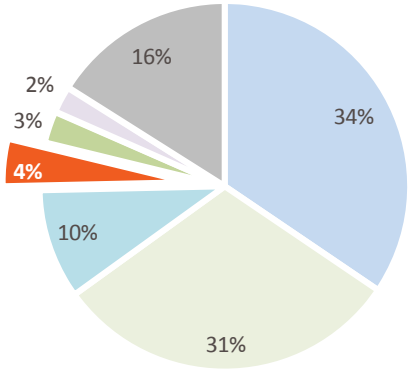


Source: FAO.

Role of Prawns in Global Seafood Demand

Prawns represent one of the world's most traded seafood products by value and is expected to be an important part of meeting the growing global seafood demand

2015 Seafood Production by Major Species

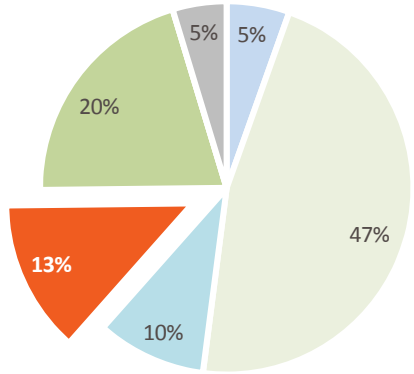


Total Global Production Volume: 199.7 Mt

- Marine Fish
- Freshwater and Diadromous Fish
- Molluscs (excl. Cephalopods)
- Prawns
- Crustaceans (excl. Prawns)
- Cephalopods

Source: FAO FishStat; Global capture and aquaculture production.

2015 Seafood Traded Value by Major Species



Total Global Aquaculture Traded Value: US$187.9bn

- Marine Fish
- Freshwater and Diadromous Fish
- Molluscs (excl. Cephalopods)
- Prawns
- Crustaceans (excl. Prawns)
- Cephalopods

Source: FAO FishStat; Global aquaculture value.

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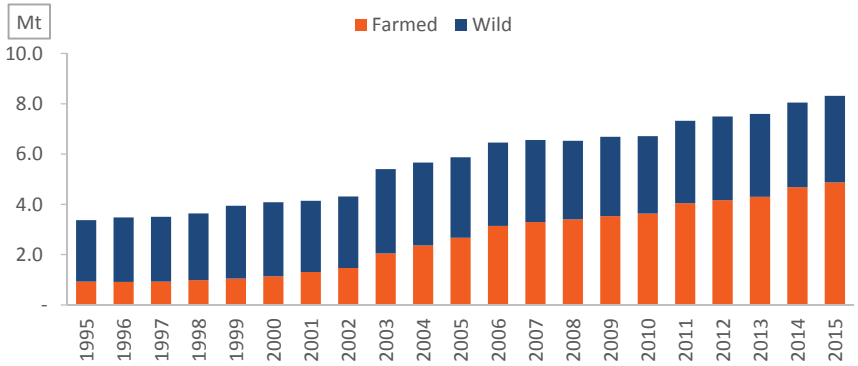
Global Prawn Industry Structure

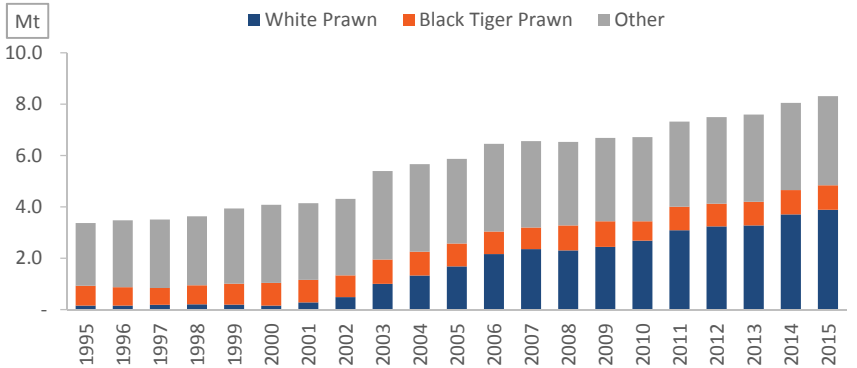
The global prawn industry has seen significant growth since 2000, driven by WP production in Asia. WP production has increased as a result of successful domestication programs leading to improved growth rates

Volume Development (Farmed and Wild)



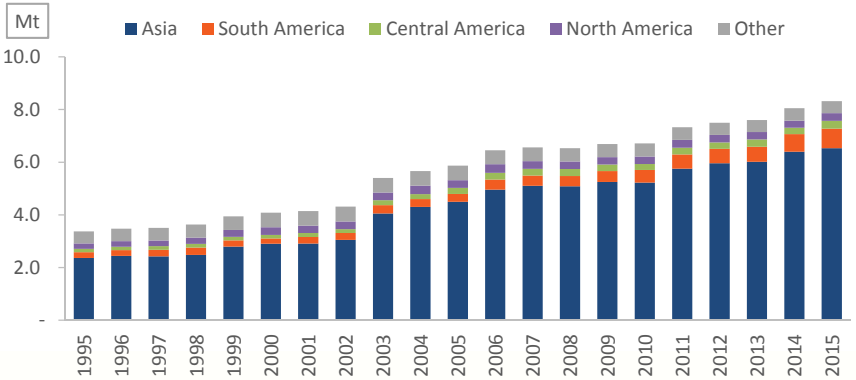
Source: FAO FishStat; Global capture and aquaculture production.

Volume Development by Species



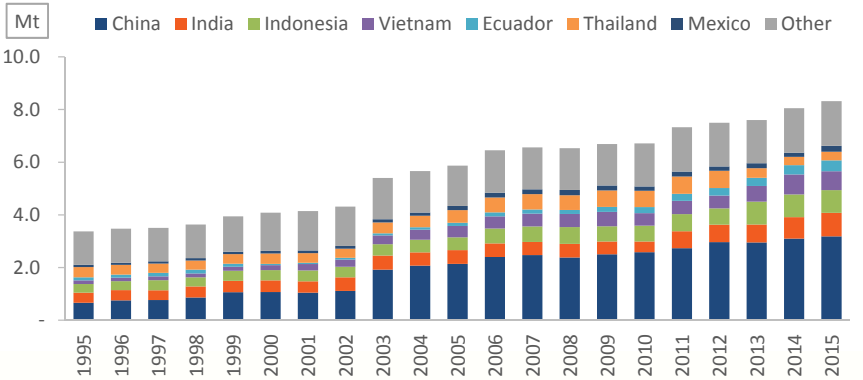
Source: FAO FishStat; Global capture and aquaculture production.

Volume Development by Region



Source: FAO FishStat; Global capture and aquaculture production.

Volume Development by Country



Source: FAO FishStat; Global capture and aquaculture production.

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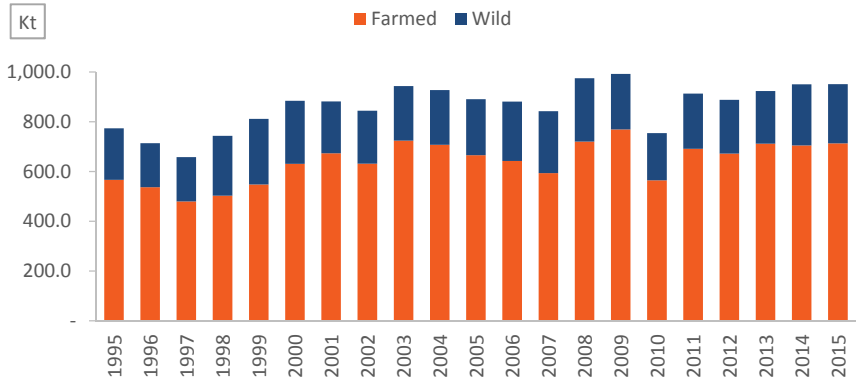
Black Tiger Prawn Market

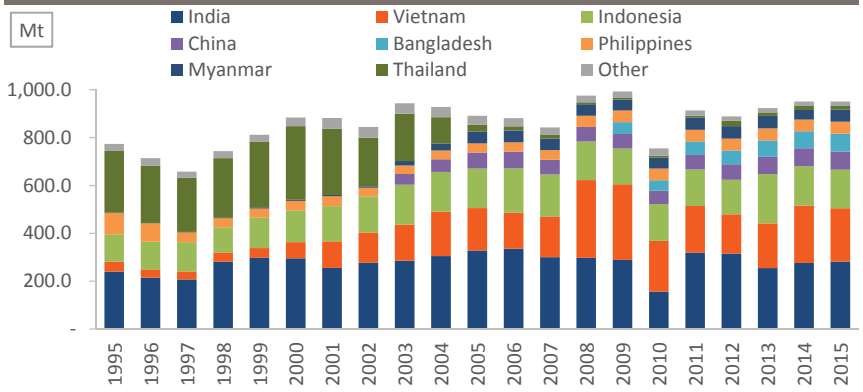
Despite being a premium product, global volumes of BTP have remained in a 600-800 Kt range since 2000

Global Black Tiger Prawn Production



Source: FAO FishStat; Global "Giant tiger prawn" capture and aquaculture production.

Black Tiger Prawn Production by Country



Source: FAO FishStat; Global "Giant tiger prawn" capture and aquaculture production.

- Until the beginning of this millennium, BTP was the main species for prawn aquaculture due to its strong natural growth rates and premium pricing. However since 2000, producers have been shifting away from BTP to WP as WP has proved easier to domesticate and capture better biological performance
  - In addition, an outbreak of white spot disease in Thailand led to the introduction of a government ban on BTP farming in inland areas
- More recently, BTP selective breeding programs have resolved a number of these historical issues with BTP farming, leading to some recent increases in BTP production
- The increasing concentration of WP production as the dominant farmed species has led to biological challenges, including most recently Acute Hepatopancreatic Necrosis Disease (AHPND)

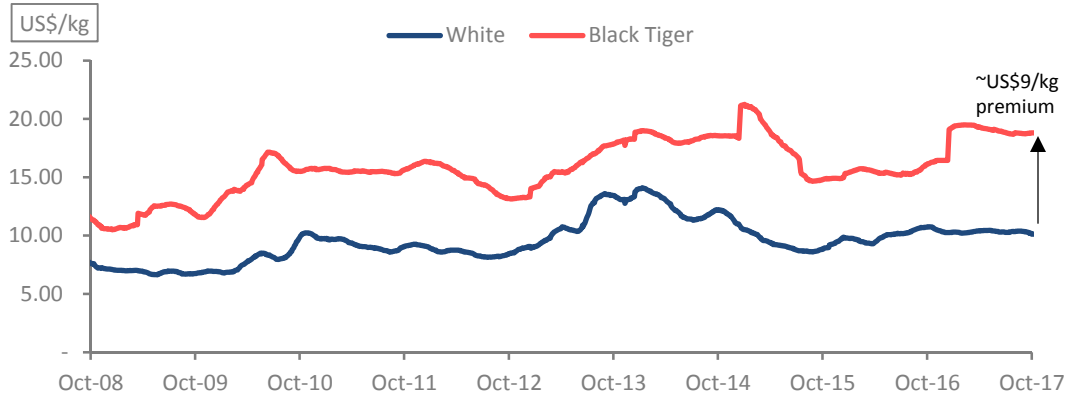
Benefits of Black Tiger Prawn Strategy

The more advanced breeding techniques, larger optimal size and premium prices make BTP the ideal species for the Australian aquaculture industry

Benefits of Black Tiger Prawn Production

1. Greater barriers to entry as a result of greater required competences in breeding and domestication techniques
2. Capture Australian led genetic improvements
3. Premium product pricing compared to WP

Black Tiger Prawn Price Premium vs. White Prawn



Note: Data as at 23 Oct 2017; indices on a Headless, Shell-On (HLSO) basis; Converted to USD/kg.
Source: Urner Barry.

- The Urner Barry shrimp indices are based on the previous week's prices achieved across a select group of US based seafood traders
  - As such, it represents only a guide to global prices for open market traded products on a spot basis
- Majority of prawns are traded on a bilateral basis with premiums for security of supply, quality of product and size
- SFG currently captures a significant premium on the price achieved for BTP at its QLD operations compared to the Urner Barry
  - PSD will size its product to maximise price premium

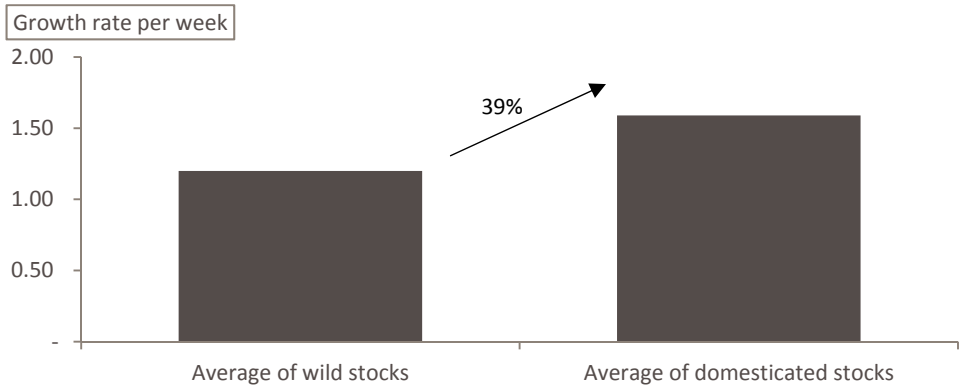
Black Tiger Prawns - Genetic Breeding

Much of the recent success in domestication and genetic breeding programs for BTP have been led by Australian researchers, working in conjunction with SFG

Commentary

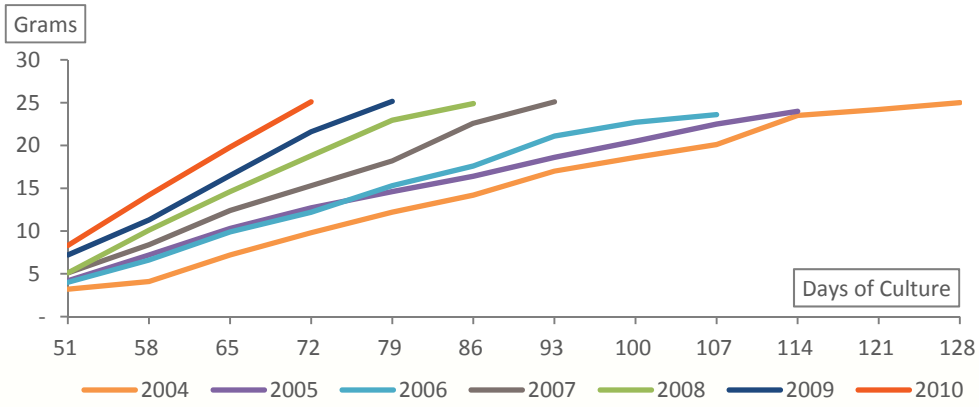
- BTP breeding programs have improved the biological performance of this species for use in aquaculture
  - Improved growth rates
  - Recent discovery of genetic markers to white spot disease resistance
- Most estimates of growth rate gains in aquatic species are 10–20% per generation of selection
- The historical performance increases that have been obtained in WP since 2004 illustrate the further benefits that are available to BTP as a domesticated species

Growth Rate Improvement in Domesticated Black Tiger Prawns



Source: Norman-Lopez et al., management.

Long Term Growth Rate Improvement in White Prawns



Source: CP Foods, Shrimp International.

Biosecurity Is the Key Industry Risk Factor

Disease has a severe impact on aquaculture production, given the intensive nature of the industry, and will spread fast once established in a region

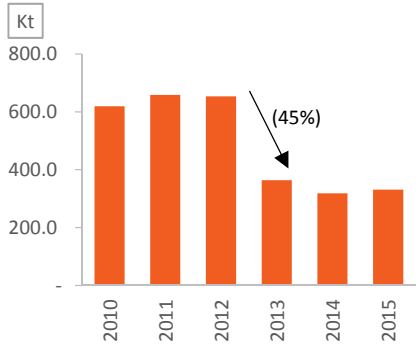
- As with other animal production systems prawn aquaculture is exposed to disease risk, such as:
  - AHPND, which resulted in 20–60% reductions in harvest volumes in impacted countries
  - Thailand experienced a 45% decline in prawn volumes following an outbreak of AHPND in 2012
  - More recently, EHP has caused ongoing production losses throughout Asia
  - White spot syndrome, although many countries have now learnt how to control this disease
- Countries with the highest disease challenges are characterised by
  1. Poor husbandry practices and hygiene and limited understanding of and compliance to biosecurity
  2. High industry fragmentation, such that small farmers have limited resources to focus on biosecurity
  3. Close proximity of farms, allowing disease to spread between them
  4. High degree of geographic movement of live biomass, allowing disease to spread

AHPND Outbreak and Impact

Reports of AHPND

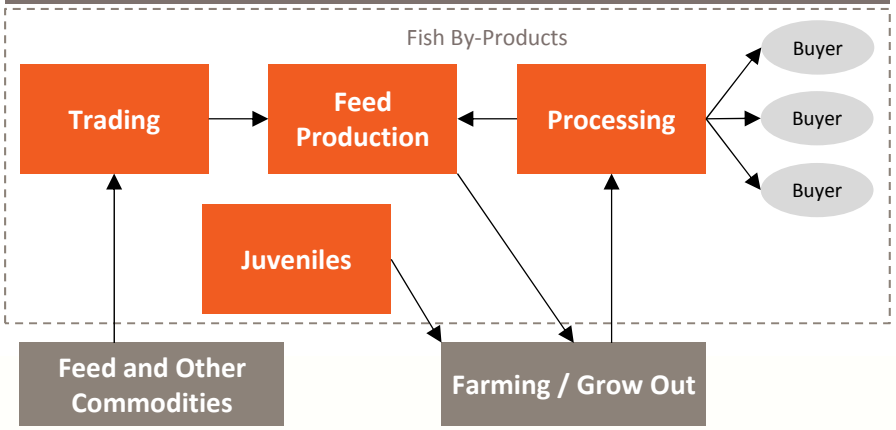
Source: Press.

Thailand Prawn Volumes



Source: FAO FishStat; Capture and aquaculture production.

The Asian Aquaculture Structure



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PSD – The Project

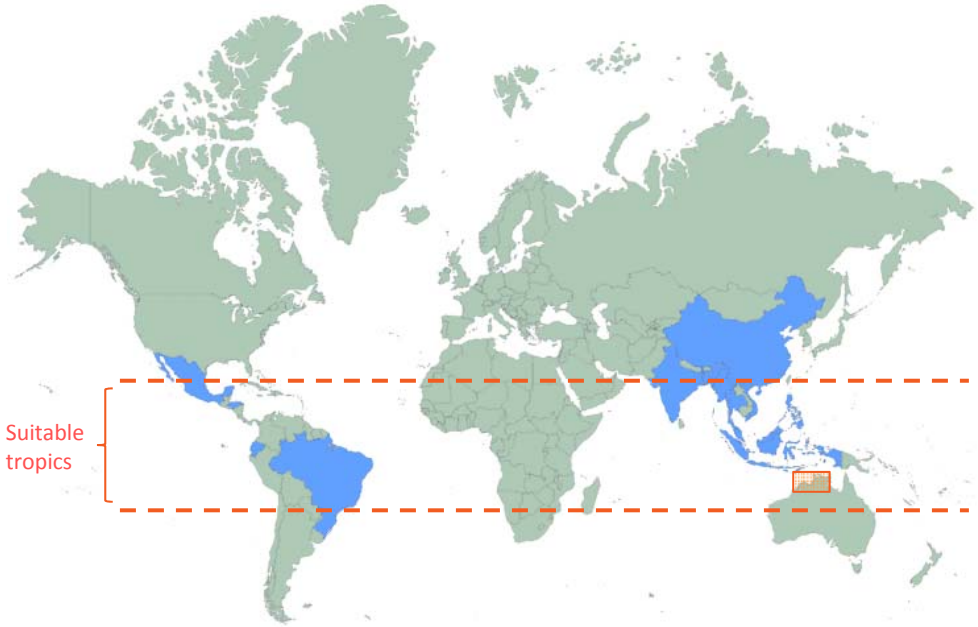
Limited Number of Suitable Sites Globally

The ideal site for industrial scale prawn aquaculture has a number of key required characteristics, which significantly constrain the number of suitable sites globally

Key Required Characteristics

1. Geographic remoteness to underpin biosecurity
2. Suitable climate and temperature
3. Disease free environment
4. Coast line with high tidal movements
5. Large land area with lack of competing uses
6. Large land area with flat topography
7. Access to labour
8. Access to export terminals
9. Proximity to end markets

Suitable Prawn Farming Regions Globally



- An extensive geospatial mapping exercise conducted by SFG of the Northern Australian coast line identified only a handful of sites that met the required site characteristics

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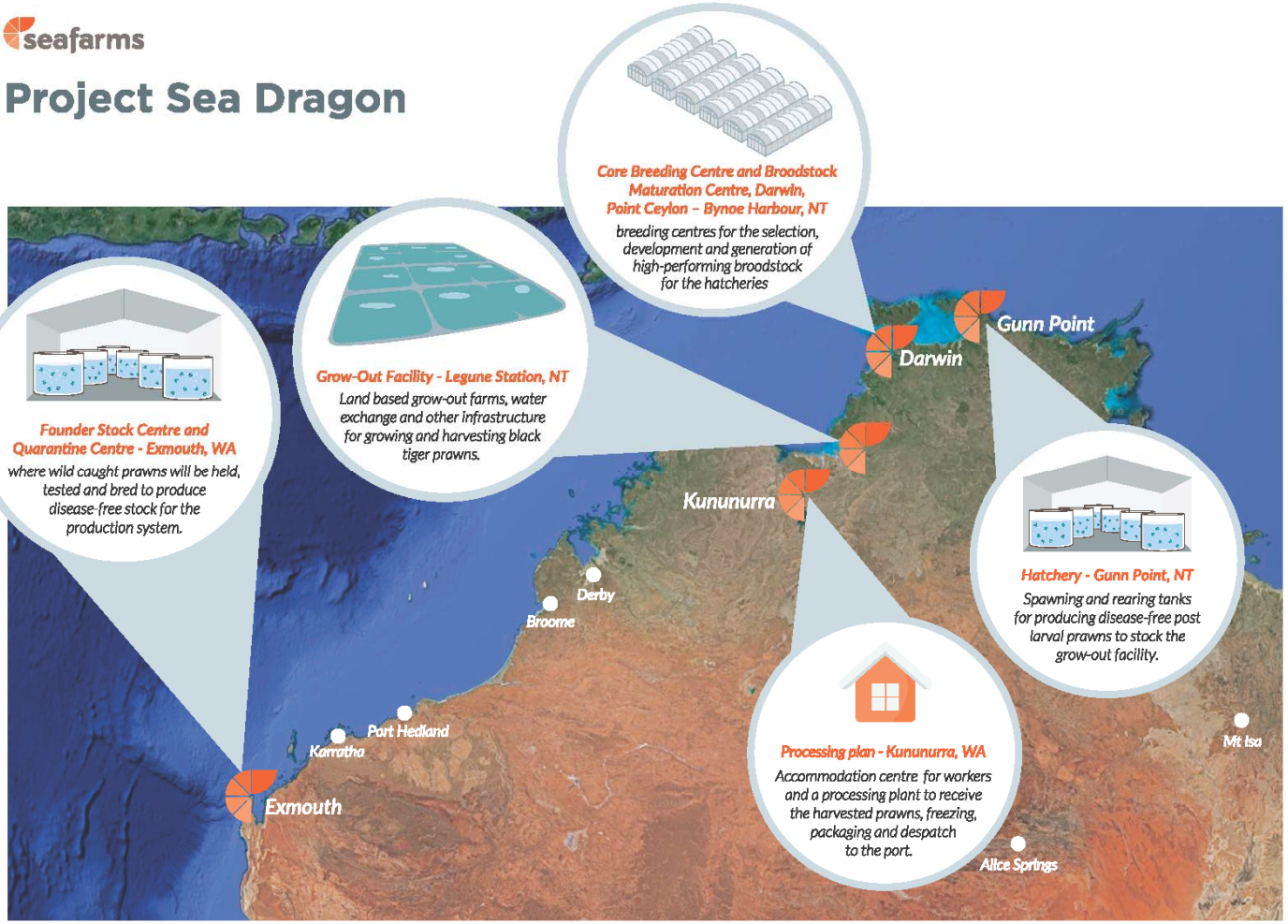
Project Sea Dragon – Location Overview

The core facility of PSD, Legune Station in the Northern Territory, has been a carefully selected location. SFG holds an Access and Option Agreement over Legune Station.



A Fully Vertically Integrated Project

Complete end to end control of operations will allow SFG to ensure absolute biosecurity and process control

Key Process Steps in PSD

1. **Genetics & Broodstock**

- Founder Stock Centre has been established at Exmouth
- PSD has its own proprietary selective breeding program
- Wild stocks domesticated for minimum two years to ensure specific pathogen free prawns
  - Program already commenced
- Continuous advanced genetic marker selection to enable productivity improvements and disease resistance
- Close cooperation with CSIRO and James Cook University
- SFG will own and control its own broodstock

2. **Hatching / juveniles**

- Hatchery to be set up near Darwin (preferred location Gunn Point)
- Discrete bio-secure location
- Will supply PSD with Post Larvae (PL) ready for release into ponds
- Stage 1 of the hatchery will produce over 16 million PLs/week
- PLs will be trucked to the grow out farms at Legune in special tanks

3. **Farming**

- To be built at Legune Station
- Separate "farms" of c. 360 to 400 Ha each, consisting of 36-40 ponds of 10 Ha each
- Stage 1 permitting for 1,120 Ha of ponds
- Full project to comprise 9 stages to complete 10,000 Ha of ponds
- Good quality seawater with recirculation
- Sufficient fresh water to manage salinity in ponds

4. **Processing**

- Processing plant to be constructed near Kununurra ~100km on all weather road to be built by state governments from Legune station
- Expansion along with project stages
- Processing primarily frozen Head on Shell on prawns
- Modern processing equipment

5. **Sales, marketing and logistics**

- PSD is targeting export markets
- Leverage off the recognised Crystal Bay Prawn brand in both existing and new markets
- Product will be packed into reefer containers and trucked to the best available port and shipping line (Wyndham, Darwin, Fremantle or Adelaide)

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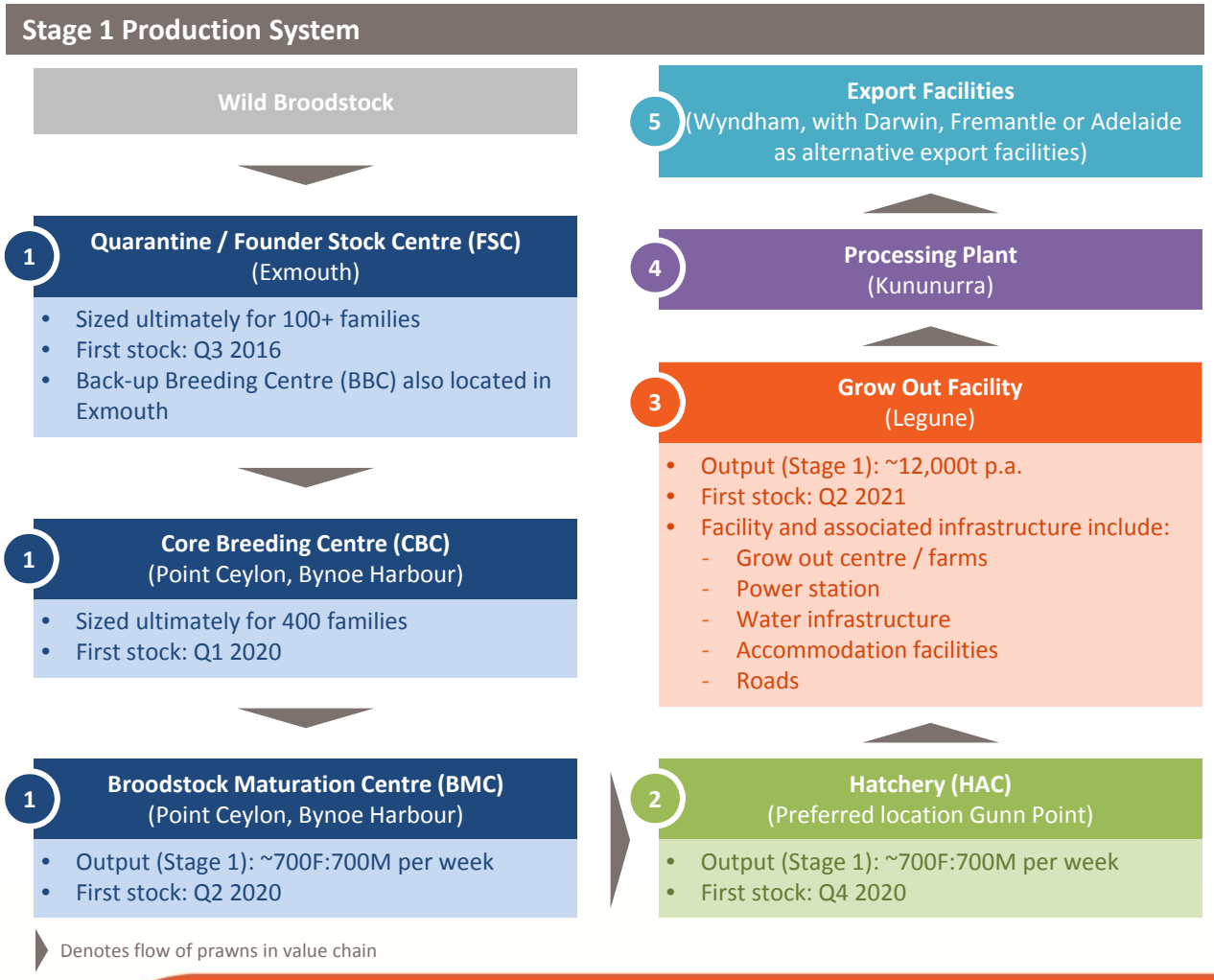
Key Project Components

Stage 1 of PSD will involve the construction of 1,120 Ha of ponds as well as all supporting infrastructure for Stage 1 and subsequent stages

- Stage 1 of PSD will comprise of:
  - Founder stock centre
  - Breeding facilities
  - Hatcheries
  - Grow out facility of 3 "farms" totaling 1,120 Ha of ponds
  - Supporting infrastructure for full scale project
- Each farm will consist of up to 40 individual ponds of approximately 10 Ha in size that can operate as an independent production unit
- Feed for PSD will be sourced predominantly from South East Asia
  - Significant supply competition likely to keep pricing pressure low
  - SFG is considering building its own feed mill for later stages to reduce costs further



Industry-Leading Biosecurity Control

PSD's strategic choice of locations is one aspect of a holistic approach to make PSD one of the most biosecure aquaculture projects in the world

Industry-Leading Biosecurity Standards and Control

Natural Geographic Biosecurity

- Internationally significant diseases not present
- Geographic isolation from centres of population and all other prawn producers
  - Nearest prawn producer is on Australia's East Coast
- Separate locations for breeding, grow out and processing activities to mitigate disease risk
  - Multiple levels of redundancy and restocking opportunities

Vertically Integrated Business Model

- Full vertical integration allows for selection of healthy, Specific Pathogen Free (SPF) broodstock, eliminating pathogen entry pathway through broodstock
- World-class genetic breeding program in collaboration with James Cook University and ARC
- Control over the entire aquaculture value chain allows SFG to rapid react to issues and any disease events

Project Design Considerations Specifically for Biosecurity

- Buffer zones between farms
- Best practice water management
  - Prawns are in water treated by Ozone and UV light before grow-out facility
  - Extensive use of recycled water at grow-out facility to limit introduction of potential disease vectors
- Strict personal and vehicle access controls and movement protocols

Emergency Action Protocol

- Established emergency action protocol that "ring fences" any disease outbreak
  - Day 1: priority harvest of affected pond and surrounding ponds
  - Day 2: harvest next immediate neighbouring ponds
  - Day 3 -7: harvest remaining ponds in the farm
- Protocol focused on containment and minimising premature terminal harvests

Geographic separation across facilities and SPF high health broodstock limit entry pathway for pathogens; additionally farms can be restarted quickly after any disease event with SPF stock, minimising any losses

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Extensive Design Work Has Been Completed

Through leveraging the knowledge of existing operations in QLD and the completion of bespoke design studies including a detailed feasibility study, SFG has de-risked project development for PSD

Commentary

- All required preliminary and detailed design studies have been completed:
  - A Concept study
  - Pre-feasibility study
  - Water Balance modeling to determine freshwater availability and reliability
  - Power and energy
  - Workforce and accommodation study
  - Transport and logistics study
  - Detailed Feasibility study
- In addition, SFG has already commenced acquisition and commencement of operations at a number of sites
  - Acquisition of prawn brood-stock and breeding facility in Exmouth
  - Transfer of best practice techniques and knowledge from QLD operations

Significant Research and Resources Invested So Far

PSD – Project Status

SFG has received key environmental approvals and the Northern Territory Government Project Development Agreement (PDA), and has agreed the Indigenous Land Use Agreement (ILUA) with the traditional owners. The start of significant construction is expected to commence in the dry season of 2018

Key Project Workstream Status

	Workstream	Status
1 Project Design	Earthwork studies	✓
	Feasibility study	✓
2 Site access and agreements	Legune Station	✓
	Staff accommodation lease	✓
	Exmouth Quarantine and Founder Stock Centre operational	✓
3 Approvals and permits	Environmental Impact Statement (EIS) assessment complete	
	Legune Station	✓
	Bynoe Harbour Breeding Facilities	✓
	Licenses / permits	In progress
4 NT Government 5	Project Development Agreement executed	✓
	Non Pastoral Use Permit issued	
6 Traditional land owners	ILUA agreed with traditional land owners	✓
Capital Raising Due Diligence	Engagement with independent due diligence experts	In progress

- SFG has received ~~all~~ required environmental approvals for Stage 1 at Legune Station with the receipt of the Federal Government's approval made under the Environment Protection and Biodiversity Conservation Act in May 2017. Key conditions of the approval include
  - Developing and implementing a water quality monitoring and management program
  - Establishing a scientific advisory group to advise on matters relating to threatened and migratory waterbirds, including a waterbird impact mitigation and monitoring program
  - Specific precautions during construction and operation to avoid potential impacts to marine life, including turtles, sawfish and river sharks
- Secondary licences expected to be approved in accordance with EPA recommendations
- The Northern Territory Government Project Development Agreement (PDA) has been executed
- SFG has agreed the Indigenous Land Use Agreement with the Traditional Owners
  - ILUA applies to all 9 stages of PSD, with no further agreement required beyond Stage 1

Key Sources of Government Support for PSD

Strong Federal and State / Territory Government support for PSD will help facilitate project development and delivery of supporting infrastructure

Component	Benefit for PSD	Description
1 **Major Project Status**	• Priority and streamlined access to individual governments via relevant ministers to facilitate approvals process	• PSD was awarded Major Project Status Northern Territory Government – July 2015 Federal Government – July 2015 Western Australia – Sep 2015
2 **Northern Australia Infrastructure Facility (NAIF)**	• Seafarms has initiated a dialogue for PSD to access concessional project loans	• The Australian Federal Government has made A$5 billion available in concessional loans for infrastructure in the north of Australia through the NAIF
3 **China-Australia Free Trade Agreement (ChAFTA)**	• Elimination of Chinese tariffs on Australian prawns within 4 years will improve cost competitive position of PSD's product further • China is expected to account for 38% of global seafood demand by 2030[1]	• ChAFTA enacted by both governments in June 2015 • Since the China-New Zealand FTA was introduced, exports of New Zealand seafood to China have quadrupled
4 **Project Development Agreement**	• Government support package ◦ Funding to upgrade access roads to all facilities • Superior and secure land tenure at all sites: Legune, Bynoe Harbour, Gunn Point and Kununurra	• Signed Project Development Agreement legally binding on government to provide the pathway for development beyond Stage 1
5 **Other**	• More efficient licence and permit approval processes for PSD, including Legune Station use as aquaculture	• Introduction of reforms to reduce red tape and amend pastoral leases

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1. Source: World Bank.

Government Support for PSD

SFG expects to secure major government support for the project from state and federal government agencies. Support to date highlighted below:

Government Support	Details
WA Road	WA government funding (Budget approved)
Keep River Road	20% NT government funding, 80% federal funding (Budget approved)
Garrjang Village	Provision of 250 man construction camp for a nominal rental for 5 years - (lease signed)
Gunn Point / Bynoe Harbour – road	NT Government (part of a Project Development Agreement currently being negotiated)

Project Delivery Strategy

The project delivery strategy of PSD as a modular project underpins is scalability for future stages

Project Delivery Strategy

- Stage 1 of PSD is designed to be constructed mainly during the dry season (May – November each year)
- Project delivery will comprise two main phases

Execution Phase	Includes detailed design, engineering, procurement, construction and commissioning of all the required capital works
Operational Ramp Up Phase	Includes handover, commencement and progressing increase in production

- The development of Stage 1 will require the concurrent detailed design, construction and commissioning of the facilities at each location

Contract and Procurement Plan

- The key strategies proposed for the Execution Phase include:
  - Procurement packaging to optimise the buying effort versus supplier performance
  - The contract packaging to be designed to maintain competitive bidding with sole-source awards only adopted when justified
  - Maximise the use of local and indigenous contractors/suppliers where appropriate and as agreed in the ILUA
  - Australian and offshore sourcing, to offer the best solution for cost, quality, schedule, reliability, commissioning, warranties and ongoing technical support
  - Recognition that the capital expenditure will be over an extended period, providing opportunities for PSD to self-perform certain scope and term contracts for other parts of the scope

Project Delivery Allocations

Project Delivery

- The construction works have been broken down into defined work packages with preliminary cost forecasts based upon market testing
- Several components of project construction risk mitigated by use of third-party contractors
- Construction for earthworks, the technically simple aspects of project, to be self-performed

Project Delivery

Project Component	Construction Party
Earthworks	SFG self perform
Facilities, plants and roads	Third-party contractor, largely fixed price basis
Power station	Third party BOO

Grow Out Facility Pond Earthworks

- The grow out pond earthworks represent a low complexity construction project and will be performed using SFG's in house team and own equipment
  - This will allow retention of this skill base for construction of future stages of PSD, and make this available for maintenance of ponds already constructed
- A bulk earthworks trial was conducted in 2016 as part of the feasibility study


Compaction Testing


Seepage and Dispersion Testing

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PSD Design

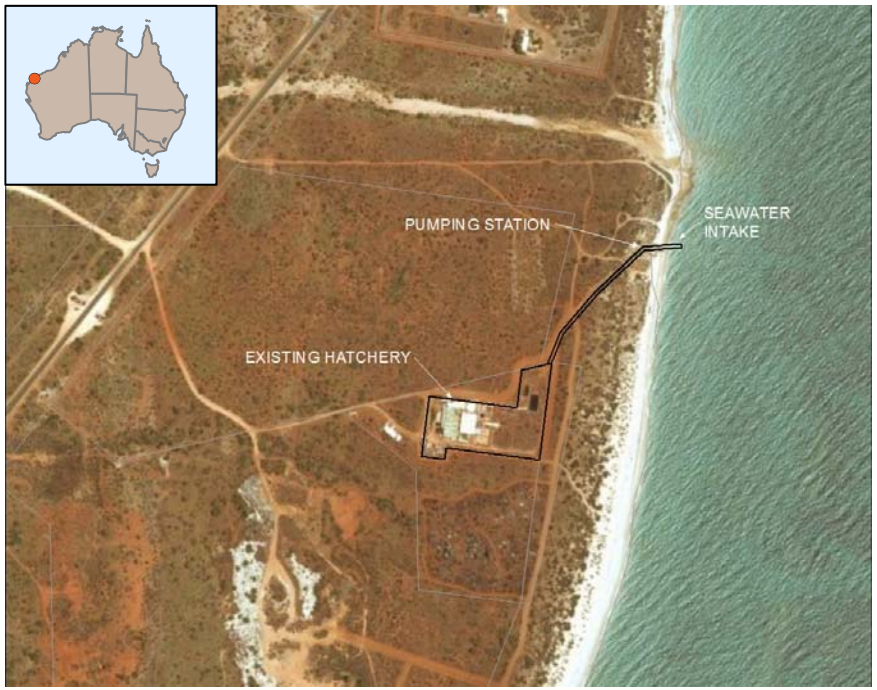
1 Founder Stock Centre Overview

SFG has already acquired an existing fish hatchery at Exmouth WA and converted this into the Founder Stock Centre

- SFG acquired the existing hatchery site six kilometres south of Exmouth WA in 2014
  - The total site is 5.5 Ha as well as intake and discharge easements
  - The site is developed and licensed for aquaculture activities (previously fish)
- Conversion works commenced in June 2016 in preparation for receipt of the first wild catch BTP
- The FSC will hold, rear, breed and test BTP for disease status prior to introducing them into the PSD production system
  - Licensed to receive BTP wild stock catch from Northern Australian waters
- The disease cleared BTP will become broodstock at this isolated location, producing the first two generations of quarantined and screened prawns. At this point, the prawns will be declared SPF-free
- The third generation will be transported to the CBC and BMC. The FSC will then also become the Back-up Breeding Centre to provide the genetic stock insurance library
- The FSC has a number of specific biosecurity measures including animal exclusion measure, controlled personnel and vehicle access to complement the natural geographic biosecurity

1 Founder Stock Centre	1 Core Breeding Centre	1 Broodstock Maturation Centre	2 Hatchery	3 Grow Out Facility	4 Processing Plant	5 Export Facilities

FSC Location and Facilities



Source: SFG management.

1 CBC and BMC Facilities Overview

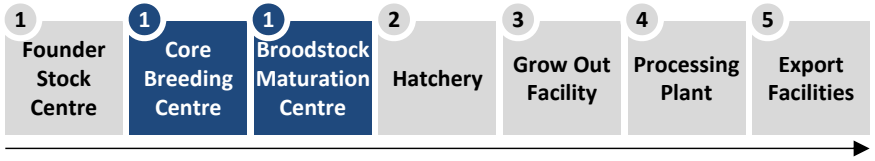
SFG has selected Bynoe Harbour outside Darwin as the sites for the Core Breeding Centre and Broodstock Maturation Centre, based in large part on proximity to a clean source of seawater

Core Breeding Centre

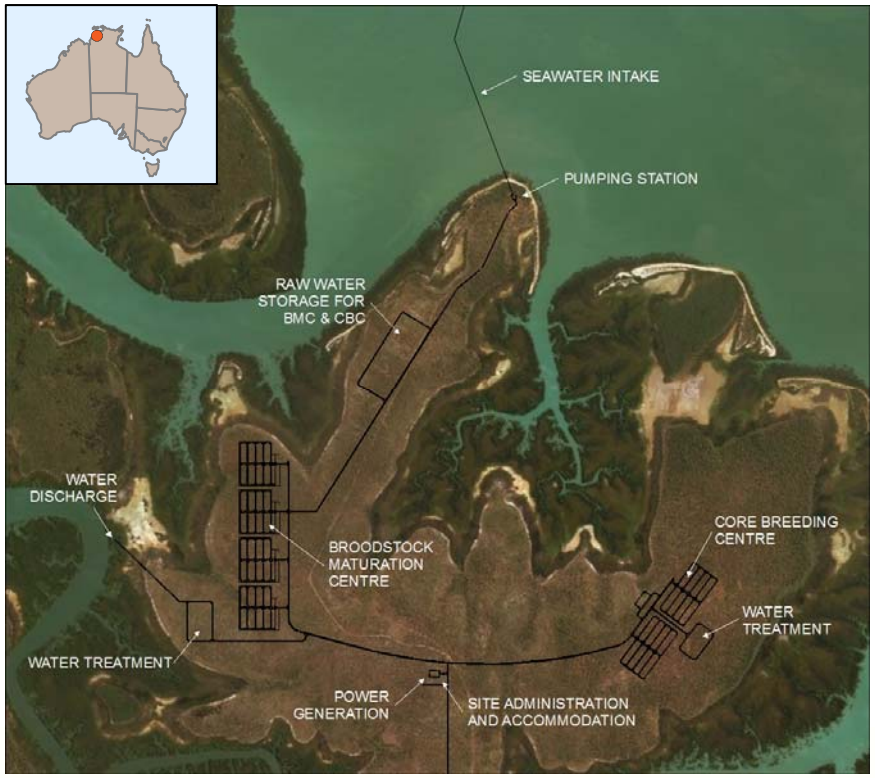
- The CBC will be used for the genetic development, production and selection of high performing prawn stock
- The top performing families produced at the CBC will be stocked into the BMC to produce commercial numbers of broodstock for use in the HAC
- The CBC will be developed and expanded as the SPF families become available
- At full scale production, the CBC will have capacity for up to 400 families

Broodstock Maturation Centre

- The BMC will be used to grow the selected families from the CBC
- At full scale, the BMC will cover an area of 40 Ha
- The BMC will be responsible for the production of commercial numbers of spawners and their mates for the commercial hatchery
- The BMC will be developed at a rate necessary to support the commercial hatchery operations and the ultimate demand for juveniles from the grow out facility
- The majority of the activities undertaken at the BMC will be contained in buildings, tanks and enclosures within each module



CBC and BMC Locations and Facilities



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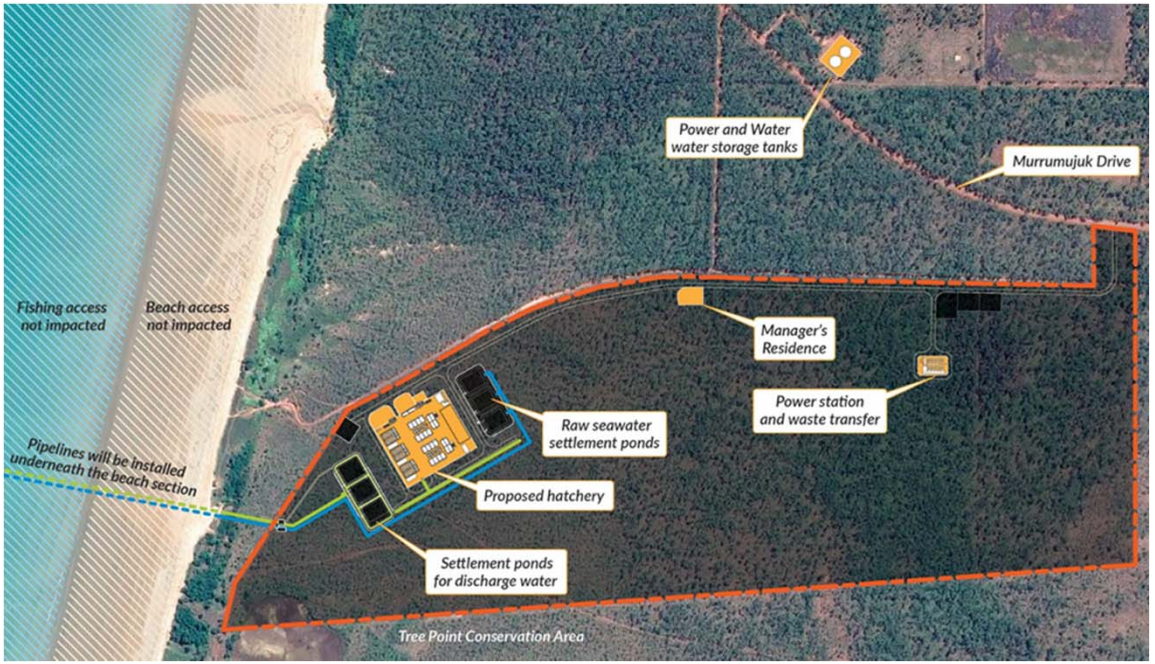
2 Hatchery Overview

SFG is finalising the selection of the hatchery site (HAC) from a select number of locations just outside Darwin. The most likely location is Gunn Point

- The purpose of the HAC is to supply Specific Pathogen Free, selectively bred, juvenile prawns (at nominal PL15) to the grow out farms.
- The identified site is 130.5 ha at Gunn Point near Darwin.
- Each HAC site must be within proximity of high quality sea water with appropriate physical separation from other breeding and hatchery centres
- As the business grows multiple hatcheries may be developed in separate locations to continue to improve the biosecurity controls
- At full scale the HAC will require approximately 150,000 broodstock prawns, or around 3,000 per week, from the BMC
- These broodstock will be high health, SPF, of superior pedigree, on-grown to maturity and in breeding condition
- At full scale production the HAC will produce up to 100 million post-larvae (PLs) per week based on a 12 month per annum production cycle, running continuously with rolling dry-outs of rooms within each module

1	1	1	2	3	4	5
Founder Stock Centre	Core Breeding Centre	Broodstock Maturation Centre	**Hatchery**	Grow Out Facility	Processing Plant	Export Facilities

Hatchery Location and Facilities

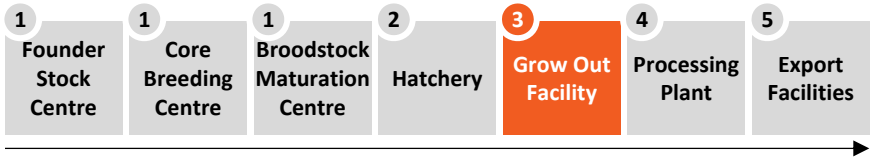


1. Juvenile shrimp 15 days post larvae.

3 Grow Out Facility Overview

The grow out facility will be located at Legune Station NT, which is currently used for cattle grazing under a Perpetual Pastoral Lease

- The grow out facility will take PLs produced by the HACs and grow them to full commercial size for harvesting. It will be situated on Legune Station, a 180,000 Ha cattle station (which will continue partial operations once PSD is operational)
- At full scale production, it will cover 10,000 Ha of grow out ponds over 27 farms
  - Stage 1 will cover 1,120 Ha of grow out ponds over three farms
- The flat topography of Legune Station provides for
  - Economical water movement (mainly gravity fed)
  - Provide flood, storm surge and sea level rise immunity by being located above RL 4.5m AHD
- Fresh water security is provided by the presence of a large existing 35 GL dam with options for two more dams on site
  - Fresh water used to maintain salinity balance of ponds post evaporation
- Natural biosecurity of the site's remote location is complemented by
  - Fencing of farms
  - Buffer zones between farms to reduce movement of animals or prawns (by birds) between farms
  - Personal and vehicle access controls and movement protocols

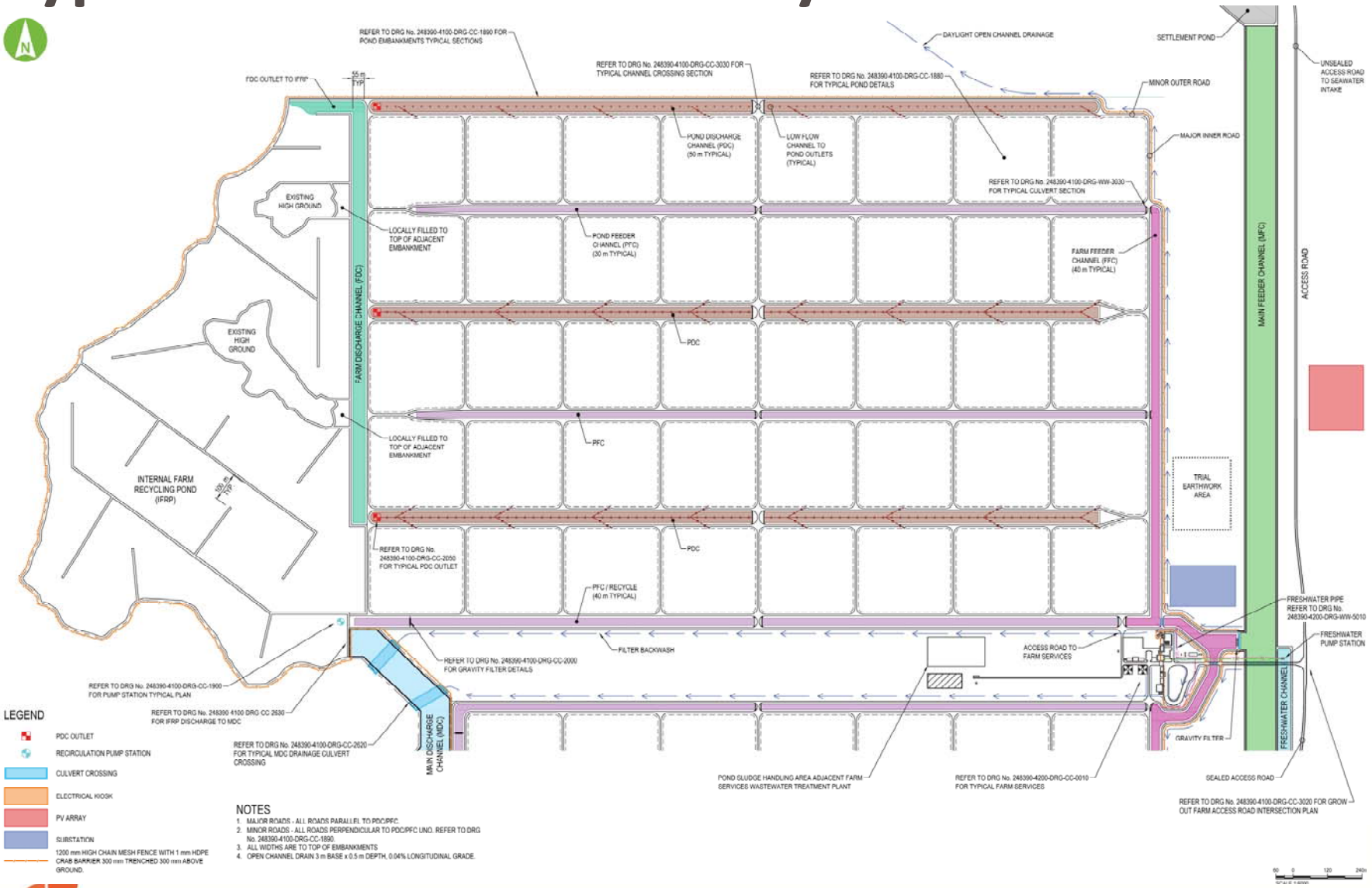


Grow Out Facility Stage 1 Overview

Foot Print	Seawater intake, settlement ponds and main feeder channel Three farms with 1,120 Ha of grow out ponds 324 Ha of recycling ponds Environmental Protection Zones for pre-release of process water Power station Accommodation Access roads
Fresh Water	Existing Forsyth Greek Dam with 35GL capacity - Adequate for Stages 1 and 2 of PSD
Power Demand	17 MW for Stage 1

3 Grow Out Facility Location

3 Typical Grow Out Farm Layout



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Source: Aurecon, Golder Associates.

3 Grow Out Facility Harvesting Cycle

Each farm will be managed on a crop basis, with each crop cycle initially expected to take 31 weeks, consisting of a 25 week harvest and six week dry out period between each cycle

Harvest Cycle

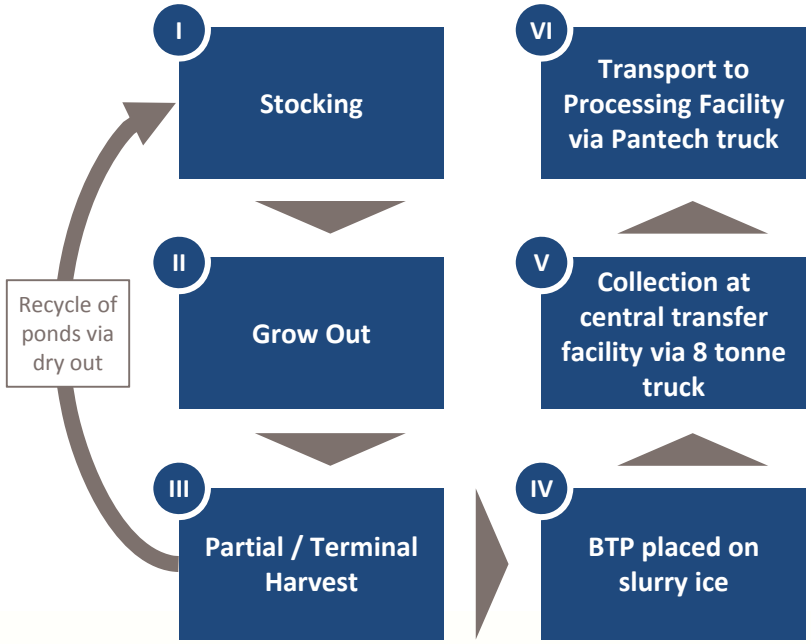
- Grow out ponds will be stocked with PLs, weighing less than 0.1g/piece and harvested c. 25 weeks later at c. 45g/piece[1]
  - The length of time taken to grow to 45g/piece will reduce with time as a result of the benefits of the genetic breeding program growth rate improvements
- A "partial harvest" may be employed prior to the final "terminal harvest" to manage pond biomass and / or marketing reasons
  - A partial harvest will deliver c. 10-12 tonnes per pond
  - A terminal harvest will deliver c. 50 tonnes per pond
- Prawns will be fed formulated feed at rates designed to maximise growth and minimise feed usage. Both prawn health and water quality will be continuously monitored
- Ponds will be aerated, and water circulated to optimise water quality. This also assists with the generation of a circular current in each pond to concentrate prawn excrement for collecting and cleaning in the dry out period

1: 37 grams in Y1 improving to 45 grams with the breeding program..

Harvest Process

- At a partial or terminal harvest, ponds will be partially or fully drained to collect BTP at the drainage point in a harvest cage. The harvest BTP are placed in slurry ice filled tubs

Process Cycle



4 Processing Plant Overview

The Processing Plant will be located at Kununurra, 100 km or under two hours trucking time from Legune

- At the Processing Plant, the BTP delivered on slurry ice will be cleaned, graded, frozen and packaged ready for transport to market. The plant has been designed to be built in several phases, with the first phase capable of handling the output of Stage 1 and 2 of PSD (equal to 80 tonnes per day)
- The plant site has been chosen to be close to the existing township of Kununurra for domiciling the workforce, which is expected to be 68 FTE for the first phase
- The land will be provided to PSD by the WA government under a long term lease agreement and has been cleared of native title and heritage constraints. Adequate fresh water supplies for use in the facility have been identified on site
- The NT and WA governments have committed to upgrade the road between Legune Station and Kununurra to all weather (including the construction of several creek bridges) to allow year round access for the Pantech trucks
- In addition the WA government has agreed to lease a construction village in Kununurra for five years to provide further support for the project
- The equipment required for the Processing Plant will be commercially available "off the shelf" equipment, as used in a standard food processing plant

1 Founder Stock Centre	1 Core Breeding Centre	1 Broodstock Maturation Centre	2 Hatchery	3 Grow Out Facility	4 Processing Plant	5 Export Facilities

Key Plant Components First Phase

Key Components	
	• One mainstream frozen line – Capacity to grade, freeze, and pack 5 tonnes of BTP/hour • One "soft and broken" line – Capacity to grade, freeze and pack 1 tonne of BTP/hour • One rendering plant

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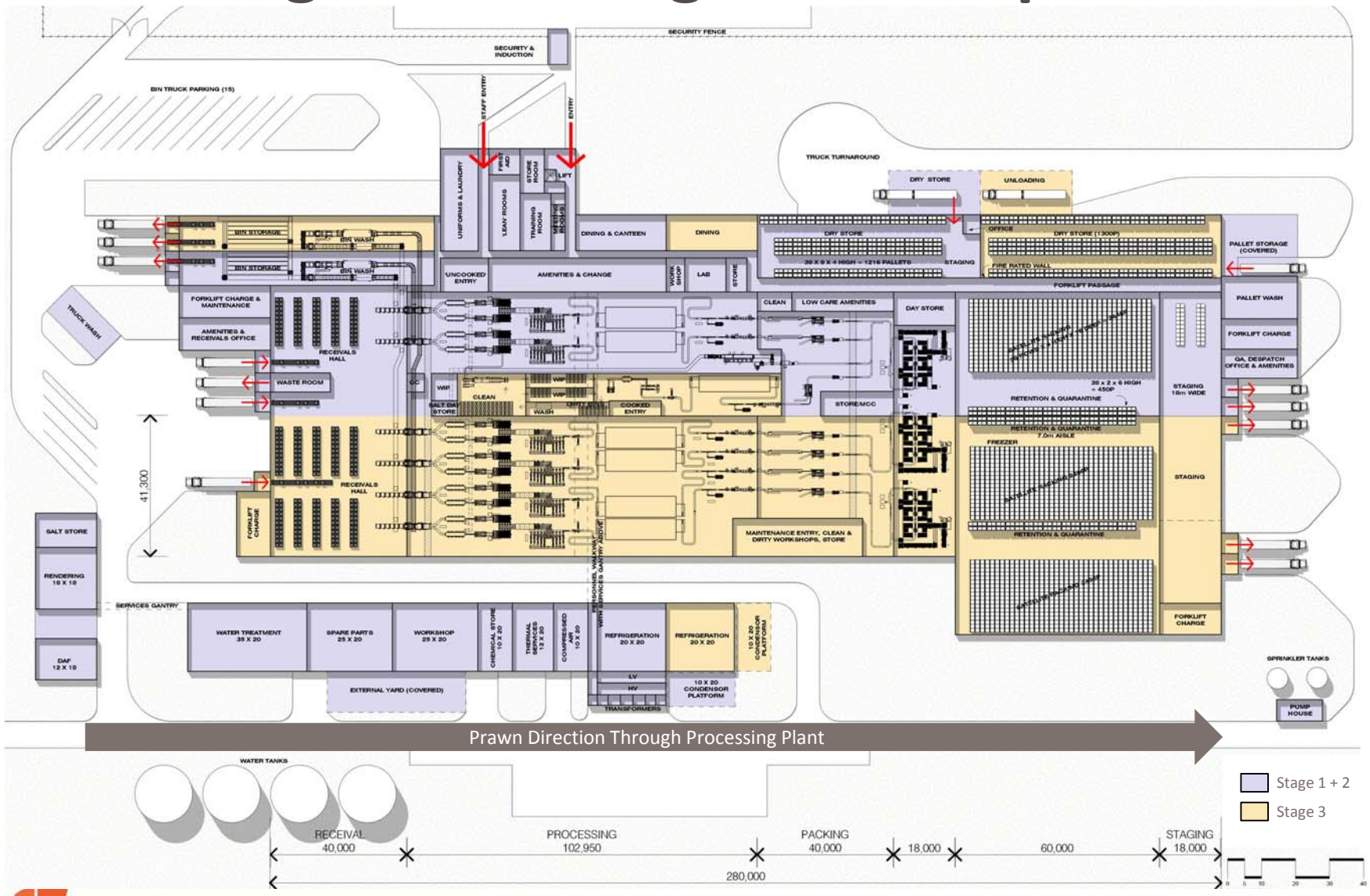
4 Processing Plant – Staged Development



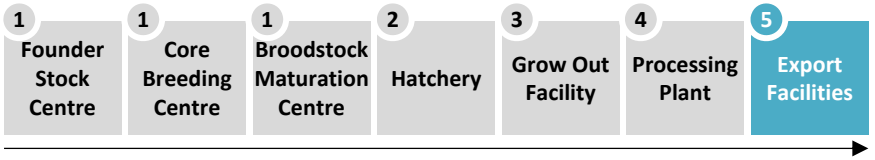
Source: Wiley.

5 Export Facilities Overview

Shipping will be used for the export of processed prawns to the international markets as well as for the import of bulk feed and fuel from overseas

- Processed prawns at Kununurra will be slip sheet loaded into REFU containers for transport by Skeleton road trains to port, and there loaded onto vessels for shipment to international markets
- The two nearest ports to Kununurra are Wyndham and Darwin, each of which has been considered in the feasibility study

Port of Wyndham	• Located ~170 km from Kununurra and historically the main port for the North West Kimberly region • Cambridge Gulf Ltd currently leases and operates the port under contract to the WA Department of Transport – Currently utilising a 2x one year contract extension to 2019 • Current vessels are restricted to 36,000t deadweight
Port of Darwin	• Located 890 km from Kununurra • Landmark Group granted a 99 year lease by the NT government in 2015, with a commitment to invest in the port facilities, including refrigerated container handling • Serviced by three liner service operators – ANL Container Line – Swire Shipping – Mariana Express Lines



Export Port Options

Status of Key NT Approvals

#	Approval	Relevant Legislation	CBC & BMC Point Ceylon	HAC Gunn Point	Grow-out Legune
1	**Aquaculture Licence** DPIR	Fisheries Act	●	●	●
2	**Surface Water Extraction (SWE) Licence** DENR	Water Act, Marine Act (for infrastructure to be located in waterways)	n.a.	n.a.	●
3	**Wastewater Discharge Licence** DENR	Water Act	●	●	✓
4	**Environmental Impact Statement / Public Environmental Report** NT EPA	Environmental Assessment Act	✓	●	✓
5	**Environment Protection Approval (EPA)** NT EPA	Waste Management and Pollution Control Act	●	●	●
6	**Environment Protection Licence (EPL)** NT EPA	Waste Management and Pollution Control Act	●	●	●
7	**Non-Pastoral Use Permit (NPUP)** DENR	Pastoral Land Act	n.a.	n.a.	●
8	**Authority Certificate** AAPA	Northern Territory Aboriginal Sacred Sites Act	✓	●	✓
9	**Development approval to clear native vegetation** DIPL/DENR	Planning Act / Pastoral Land Act	✓	●	●
10	**Development A** DIPL	Planning Act	n.a.	●	n.a.

✓ Achieved ● On Track ● Needs Monitoring ● Behind Schedule

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Seafarms Group – CO2 Australia Limited

CO2 Australia Limited

- CO2 provides carbon and environmental services
- 100% owned subsidiary
- Profitable business providing cash flows for SFG
- Continue to secure new business
- Owns a substantial portfolio of emissions credits
- Well positioned for resurgence in the carbon economy
- Normalised segment results:

	$'000
Carbon services (per Annual Report)	(277)
Add back:	
Amortisation and depreciation	298
Loss on disposal	627
Normalised EBITDA	648

Directors and Officers

Ian Trahar
Executive Chairman

Dr Chris Mitchell
Executive Director

Dallas Donovan
Chief Operating Officer

Harley Whitcombe
Executive Director and CFO