



8<sup>th</sup> May 2018

**ASX:AS1 – Approval Received for Key Water Holdings**

Angel Seafood Holdings Ltd (Angel/the Company) is pleased to announce the following successful outcomes for the re-location of leases and results of the “Public Call” for new oyster leases as received from Department of Primary Industries and Resources South Australia (PIRSA)

**Relocation of leases between Coffin Bay production zones:**

PIRSA has provided approval to the Company to move 2.25Ha of water leases from the Longnose zone to the Beacon zone within Coffin Bay.

In Angel’s view, the Beacon Zone has superior production capacity compared to the Longnose zone due to the differences in tidal flow over the water leases. Once the lease is moved the Company will operate 3.5Ha of adjacent water leases in the Beacon zone. The Company will also operate 1Ha in each of the Central zone and Longnose zone, bringing total production within Coffin Bay to 5.75Ha; currently the Company is operationally farming 3Ha in Coffin Bay.

Current estimates suggest that this increased production capacity, without allowing for the impact of any unforecast adverse events that may or may not affect the oyster industry, in general, in the future, will allow the Company to grow sufficient market-ready oysters to become cash-flow positive.

The required steps for the movement of the lease will commence immediately. Key lease infrastructure required for the new Beacon lease, valued at over \$800,000; such as posts, wire and baskets required to fully fit out this lease have already been purchased and fully funded by the Company; this was funded at the pre-IPO raise in April 2017. This prior planning by the Company means that this lease is expected to be fully operational by the completion of Q1 FY19 in time for the peak domestic demand period surrounding Christmas 2020.

The process of approval has taken over 8-months and has included rigorous scrutiny from PIRSA and in-depth analysis of the Coffin Bay production zones to ensure the move will not impact on the environment or our neighbouring oyster farmers.

Chairman of Angel, Tim Goldsmith, commented:

*“The movement of this lease signifies a key milestone for unlocking the production potential of the Company. The Beacon zone is far superior to the current lease location at Longnose; which the Company has only farmed in a limited way, due to the state of lease infrastructure, since its purchase in late 2016.”*

*“Once developed the new lease will have superior production capacity compared to the old lease location. The Company had always planned to move the lease and this outcome is testament to both the forethought and hard work of Angel’s team and PIRSA’s commitment to improving the evolving efficiency of the oyster industry in South Australia.”*

### **Results of the “Public Call” for new lease water:**

In 2017 PIRSA invited the public to apply for the planned release of new lease sites in Haslam and Dutton Bay (located within the broader Coffin Bay system). This was the first ‘Public Call’ for new leases for close to two decades. As such- the application process was rigorous, and applicants had to demonstrate their worthiness for receipt of new lease water based on a number of key criteria.

The Company is pleased to announce that it has been successful in its application for two new water leases, being approximately:

- 6Ha of lease water in Haslam
- 3Ha of lease water in Dutton Bay

The Company has now been invited by PIRSA to apply for licences to farm these leases, which it intends to do.

Of particular note is the Haslam Lease that will be the first lease to utilise Angel’s experimental water attenuator system specially developed by the Company to break up the impact of wind and choppy seas on the oyster leases. It is expected that this system will allow increased production and quality from this bay, which, while being integral to Angel’s diversification strategy, is exposed to larger swell and wind than Angel’s other farming locations.

Once the licences have been granted the Company will have the right to farm over 60Ha of water on South Australia’s Eyre Peninsula, consistent with Angel’s growth plans.

Angel’s Founder, Zac Halman, commented:

*“Both the relocation and the results of the public call are great outcomes for Angel. Now that these approvals have been provided the team will now focus on bringing these leases into production as soon as possible.”*

### **Further Information**

Any questions or requests for further information should be directed via email to: [chairman@angelseafood.com.au](mailto:chairman@angelseafood.com.au)