



Our Ref: SFG ASX Price Query 23 May 18

23 May 2018

ASX Listings Compliance
Level 40, Central Park
152-158 St Georges Tce
Perth WA 6000

Attention: Dale Allen

By email: tradinghaltsperth@asx.com.au
dale.allen@asx.com.au

Dear Mr Allen

Response to ASX Price Query

We refer to your query in relation to the change in the price of Seafarms Group Limited's (**Company**) securities and trading volumes (**ASX Price Query**). We respond separately to your questions as follows:

- 1. Is SFG aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?**

Yes, the Company is aware of information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities.

- 2. If the answer to question 1 is "yes":**

- (a) Is SFG relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?**

Yes, SFG was relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1A. The Company believed the information was confidential but noticed unusual trading in its shares and sought a trading halt by telephone before 9.30am (WST), some 40 minutes before receiving this letter.

- (b) Can an announcement be made immediately?**

An announcement could not be made immediately at the time of requesting a trading halt for the reason set out in paragraph (c) below.

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(c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

SFG considered it prudent to await execution of the transaction documentation prior to formally announcing the transaction, noting that during this period, a trading halt is in place. It is expected that an announcement will be made prior to commencement of trading on Wednesday, 23 May 2018.

3. If the answer to question 1 is “no”, is there any other explanation that the Entity may have for the recent trading in its securities?

Not applicable.

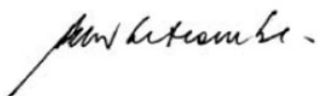
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company is in compliance with the Listing Rules, including Listing Rule 3.1.

5. Please confirm that SFG’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SFG with delegated authority from the board to respond to ASX on disclosure matters.

SFG’s responses in this letter have been authorised and approved in accordance with its published continuous disclosure policy.

Yours faithfully
Seafarms Group Limited

A handwritten signature in black ink, appearing to read 'Harley Whitcombe', is written over a horizontal line.

Harley Whitcombe
Company Secretary



21 May 2018

Mr Harley Whitcombe
Seafarms Group Limited
Level 11, 225 St Georges Terrace
PERTH WA 6000

By email: Harley.whitcombe@co2australia.com.au

Dear Mr Whitcombe

Seafarms Group Limited ("SFG"): Price and volume query

We note the change in the price of SFG's securities from a close of \$0.057 on Friday, 18 May 2018 to an intraday high of \$0.07 at the time of writing today, 21 May 2018.

We also note a significant increase in the volume of SFG's securities traded today.

In light of this, ASX asks SFG to respond separately to each of the following questions and requests for information:

1. Is SFG aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 - a) Is SFG relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in SFG's securities would suggest to ASX that such information may have ceased to be confidential and therefore SFG may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that SFG may have for the recent trading in its securities?
4. Please confirm that SFG is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that SFG's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SFG with delegated authority from the board to respond to ASX on disclosure matters.

20 Bridge Street
Sydney NSW 2000

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When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **06.30am WST on Wednesday 23 May 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in SFG's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SFG's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to SFG's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that SFG's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in SFG's securities under Listing Rule 17.1.


If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.



Kind regards

[Sent electronically without signature]

Dale Allen

Senior Adviser, Listings Compliance (Perth)