



Our Ref: SFG ASX Announce Legune Option Negotiations (560)

2 July 2018

ANNOUNCEMENT 560

Company Announcements Office
Australian Securities Exchange
Level 6
20 Bridge Street
SYDNEY NSW 2000

By ASX Online
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Dear Sir

Legune Option status update

Seafarms Group Limited (**Seafarms**) is pleased to announce the signing of terms sheets with a substantial agribusiness investor – AAM Investment Group (**AAMIG**) and the owners of Legune Station (**Legune**) to secure long term access at Legune for Project Sea Dragon.

The proposal will see AAMIG acquire Legune Station and lease the area required for Project Sea Dragon to Seafarms. A long term lease (90 years) rather than outright acquisition, reduces the initial capital costs for the project while providing long term tenure. The portion of land not used for Project Sea Dragon will continue to be operated as a cattle station by AAMIG, which has significant experience managing and operating cattle stations.

The parties have entered into conditional term sheets which set out the key commercial conditions which will form the basis of formal agreements between the parties. As part of these arrangements the Legune owners have agreed to further extend Seafarms' option to acquire Legune Station until 31 July 2018, to enable sufficient time to finalise formal documentation and other matters required prior to exercise of the option. Under the proposal, following exercise of the option, AAMIG will have until 30 September 2018 to secure the necessary funds for the purchase.

AAMIG is a major Australian owned diversified agricultural investment and asset manager that specialises in agricultural operations throughout Australia. For further information regarding AAMIG please refer to their website www.aamig.com.au.

Please telephone Harley Whitcombe on (08) 9216 5200 with any queries.

Yours faithfully

Seafarms Group Limited

A handwritten signature in black ink, appearing to read "Harley Whitcombe".

Harley Whitcombe
Company Secretary

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About Seafarms Group

Seafarms Group Limited (ASX: SFG) is an ASX listed holding company with separate subsidiary businesses operating in nonconventional commodities: aquaculture and carbon. Seafarms Operations Pty Ltd operates aquaculture assets and CO2 Australia Limited the carbon and environmental operations.

For further information refer the company's web site: www.seafarms.com.au

About Seafarms Operations Pty Ltd.

Seafarm – a Australian agri-food company – operates, builds and invests in sustainable aquaculture production platforms producing high-quality seafood. Seafarms is currently the largest producer of farmed prawns –growing, processing and distributing the well-known Crystal Bay Prawns™ premium brand. The company is one of Australia's largest aquaculture enterprises.

About Project Sea Dragon

Seafarms Group is developing Project Sea Dragon – a large scale, integrated, land based prawn aquaculture project in northern Australia designed to produce high-quality, year-round reliable volumes for export markets.

For further information refer the <https://seafarms.com.au/about-project-sea-dragon/>