

ASX Announcement | 21 October 2019
Seafarms Group Limited (ASX:SFG)
(SFG Announcement No. 631)

Seafarms Group boosts biosecurity and water quality with completion of intake settlement ponds

Investment Highlights

- Completed construction of intake settlement ponds at Cardwell farms to improve water quality, biosecurity, and product quality
- Nine (9) production ponds were converted into intake settlement ponds across 10.5 hectares capable of storing 350,000m³ of water
- Seafarms acquired Cardwell in 2014 and has since undertaken a number of measures to improve operating processes and efficiencies at the site
- Cardwell is also used as an R & D facility for Seafarms' Project Sea Dragon

Sustainable aquaculture company **Seafarms Group Limited (ASX:SFG)** ('Seafarms' or 'the Company') is pleased to announce that it has completed construction of intake settlement ponds at the Company's Cardwell farms in North Queensland.

The intake settlement ponds have been designed and developed to improve biosecurity and incoming water. This is a major retrofit of Australia's oldest operating prawn farms bringing them to best practice. Nine (9) production ponds were converted into settlement ponds across 10.5 hectares. The ponds are capable of storing 350,000m³ of water at both farms and were built at a cost of approximately AUD1 million.

The implementation of intake reservoirs and water treatment allows for an immediate improvement in water quality for both farms at Cardwell, and in particular enhances the mitigation of risk around poor water quality during heavy rainfall events occurring during wet season.



Image: Intake settlement ponds at Cardwell

Water can be pumped into the intake settlement ponds during all accessible tides. The storage and use of water that has settled, reduces nutrients, solids and biological loads. Additional filtration will also be included in the settlement ponds to limit potential predators or carriers of disease from entering the production area.

Although the removal of production ponds will result in reduced production area, the company expects that the improved water quality will enable the overall tonnage of product to be maintained from the Cardwell farms.

The Cardwell farms have been operational since 1988. Seafarms acquired the farms in 2014 as a working R&D facility for Seafarms' Project Sea Dragon. The Board has carefully invested in safety and production systems that improve biosecurity. The initiatives include expansion of the Company's hatchery so that Seafarms no longer requires post-larvae from third parties, the introduction of nursery ponds, design and implementation of a new testing program for wild broodstock, and now the completion of the intake settlement ponds. .

Seafarms CEO Dr Chris Mitchell said: "Seafarms Group is very pleased to have modernised its Cardwell farms through the construction of the intake settlement ponds at Cardwell.. Our North Queensland operations enable us to carry out R&D programs for Project Sea Dragon, which is now 'shovel ready', with regulatory approvals in place and development well underway."

Ends.

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About Seafarms Group

Seafarms Group Limited (ASX:SFG) is a sustainable aquaculture company, producing the premium Crystal Bay® Prawns and developing the Project Sea Dragon prawn aquaculture project in northern Australia.

Seafarms Group uses environmentally sustainable culture processes and is currently Australia's largest producer of farmed prawns, its Crystal Bay® Prawns and Crystal Bay® Tigers are available year round in fresh and frozen formats. To learn more please visit: www.crystalbayprawns.com.au

Seafarms Group is investing in sustainable aquaculture for export through Project Sea Dragon, a large-scale, vertically integrated, land-based, prawn aquaculture project being developed in northern Australia. The standalone marine prawn production system will be capable of annually producing over 150,000 tonnes of prawns and the high-quality, year-round volumes will target export markets. To learn more please visit: www.seafarms.com.au
