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Dear Sir

### Media Release

#### **Northern Australia Investment Forum Project Sea Dragon Presentation**

Seafarms Group Limited (ASX: SFG) (**Seafarms** or **Company**) provided an update on its US\$1.5 billion prawn farm Project Sea Dragon at the Northern Australian Investment forum in Darwin today. The forum is an initiative of Federal Trade Minister Andrew Robb to seek international investment in large projects in the north of Australia and has been developed as a consequence of the Australian Government's Northern Australia White Paper.

Seafarms Group Limited Executive Director Dr Chris Mitchell presented at the forum this morning, and said he was very pleased to showcase the project at such a significant event.

"We believe Project Sea Dragon will be an important project for the north, and we appreciate our involvement in today's investment forum, especially given its focus on attracting international investment to northern Australia and realising the north's potential," he said.

Project Sea Dragon would be Australia's largest aquaculture project and create around 1500 jobs in north Australia, with the capacity of producing over 100 000 tonnes of Black Tiger prawns a year for export. Project Sea Dragon is to be constructed in stages on Legune Station, which is in the Northern Territory's Victoria River District near the border with Western Australia, and about 110 kilometres from Kununurra.

Seafarms is seeking approval to begin the first 1000 hectares of production ponds at the project site, but is planning to scale the project to 10 000 hectares over a number of years to increase production to meet the growing market demand.

Dr Mitchell explained at today's forum that the world's growing population is underpinning the demand for protein and there is a large global growth in prawn aquaculture.

"In the United States prawns reportedly count for more than 30 per cent of all supermarket seafood sales and it is the top selling seafood commodity in many countries," he said.

"While the world's population is expected to increase from 7 billion today to 9 billion by 2050, the world's total food requirement is expected to increase by 70 per cent in value.

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“Project Sea Dragon will help reduce the pressure on the global wild harvest prawn industry while boosting the local economy and providing jobs on the ground for local people in north Australia.”

Awarded Major Project Status by the Northern Territory and Australian Governments, Seafarms is currently working through environmental assessment and regulatory approvals processes for the first stage of Project Sea Dragon.

Seafarms is also seeking to develop an Indigenous Land Use Agreement with Traditional Owners. Consultations to establish long-term partnerships with the Indigenous landholders and local community are underway.

At full operation the facility is estimated to create about 700 jobs for local people on the ground at Legune Station, 300 jobs at a Darwin-based hatchery and breeding facility and 500 jobs in Kununurra.

“The Northern Territory’s suitable climate, disease-free environment and long coastline positions the NT to take advantage of the growing demand for Australian seafood,” Dr Mitchell said.

“The project will provide an alternative regional food supply chain for protein in north Australia to open new international export markets, while protecting domestic wild harvest markets.”

Seafarms is working with CSIRO and is in partnership with the Australian Research Council’s Industrial Transformative ‘Advanced Prawn Breeding’ hub led by James Cook University to apply the already proven science of genomics to Seafarms’ breeding program.

A pre-feasibility study has been completed for Project Sea Dragon and a bankable feasibility study is underway. Seafarms has assembled a strong team with demonstrable operational expertise in the fields of aquaculture operations, marine science and environmental sustainability, to deliver the project. Construction could start on the project during the 2017 dry season.

Dr Mitchell’s presentation is provided below.

Please telephone Dr Chris Mitchell on (03) 9928 5111 with any queries.

Yours faithfully  
**Seafarms Group Limited**



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Director and Company Secretary

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### About Seafarms Group

Seafarms Group Limited (ASX: SFG) is an ASX listed holding company with two separate subsidiary companies operating in non-conventional commodities: aquaculture and carbon. Seafarm Operations Limited operates aquaculture operations and CO2 Australia Limited the carbon and environmental operations.

For further information refer the company's web site: [www.seafarms.com.au](http://www.seafarms.com.au)

### About Seafarm Operations Limited

Seafarm – a new 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 and is also 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 company's web site: [www.seafarms.com.au](http://www.seafarms.com.au)



### About CO2 Australia Limited

CO2 Australia is a diversified environmental services business, with core competencies in environmental approvals, land management and carbon project management. CO2 Australia has a national reach and provides services across a diverse range of private and public sector clients around Australia. Established in 2004, the company has successfully delivered on over 70 contracts including landmark engagements with Qantas Airways, Santos, Macquarie Bank, Woodside Energy, INPEX Browse, Origin Energy, Newmont Mining and Wannon Water. CO2 Australia manages over 26,000 hectares of land, has developed some of Australia's largest dedicated carbon sinks, has delivered environmental offsets projects for some of Australia's largest infrastructure developments and is delivering large-scale revegetation programs and environmental approvals works across most Australian states and territories.

For further information refer the company's web site: [www.co2australia.com.au](http://www.co2australia.com.au)





# **Project Sea Dragon**

North Australian Investment Forum

Darwin

November 2015

Seafarms acknowledges the Larrakia  
People the traditional owners on  
whose land we meet and pays respect  
to their Elders past and present

# Outline

- 🍊 Strategic drivers
  - 🍊 Demographics
  - 🍊 Consumer demand
  - 🍊 Natural resources
- 🍊 Introducing Project Sea Dragon
  - 🍊 Video
- 🍊 Project features

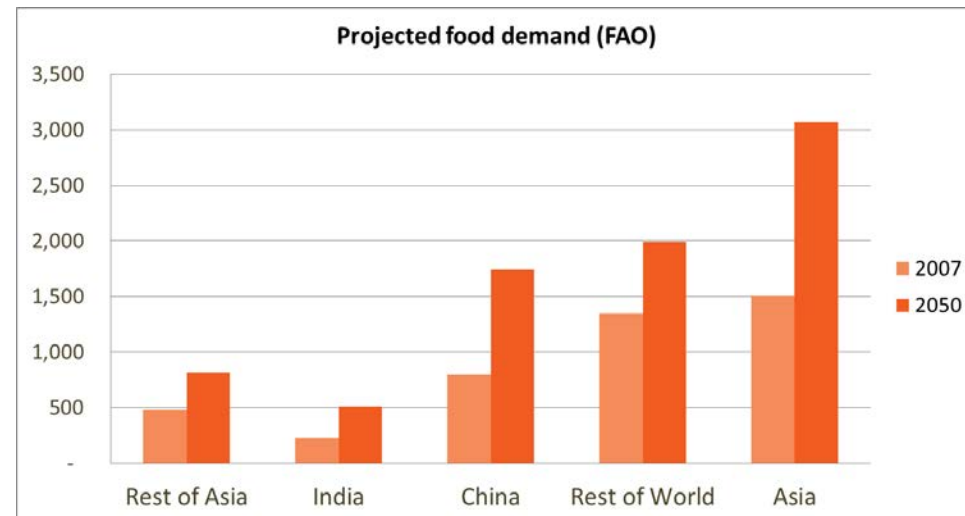


# The megatrends with global impacts

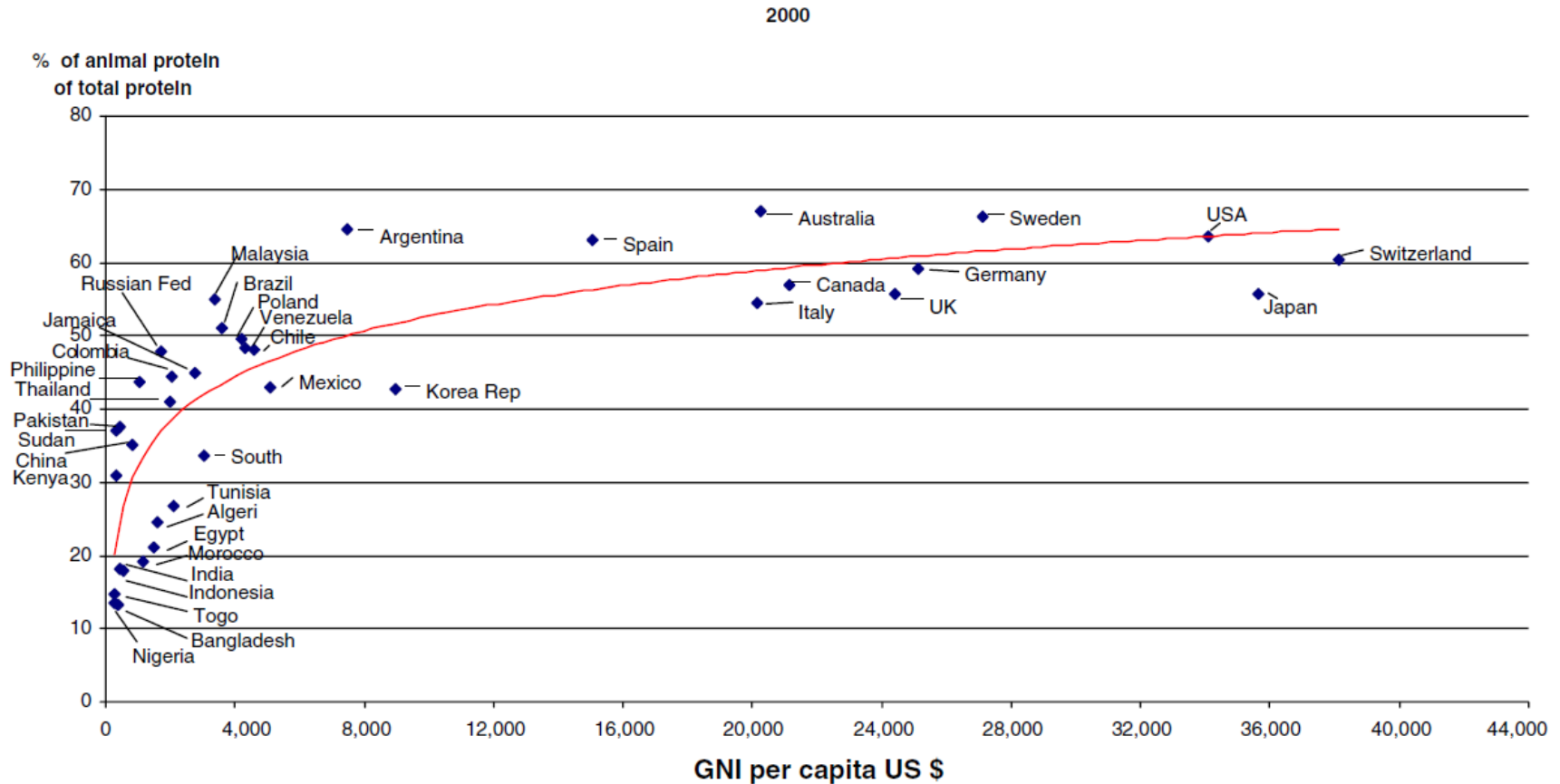
- Demographics
- Economic development of Asia
- Consumer demands – food quality, safety and provenance
- Natural resource pressures
  - Land
  - Water

Growing population and increasing wealth are underpinning the demand for protein:

- Global population is expected to increase from 7 billion today to 9 billion by 2050
- Over that time the world's total food requirement is expected to increase by 70% in value
- The middle class is forecast to increase to 4.5 billion people by 2030

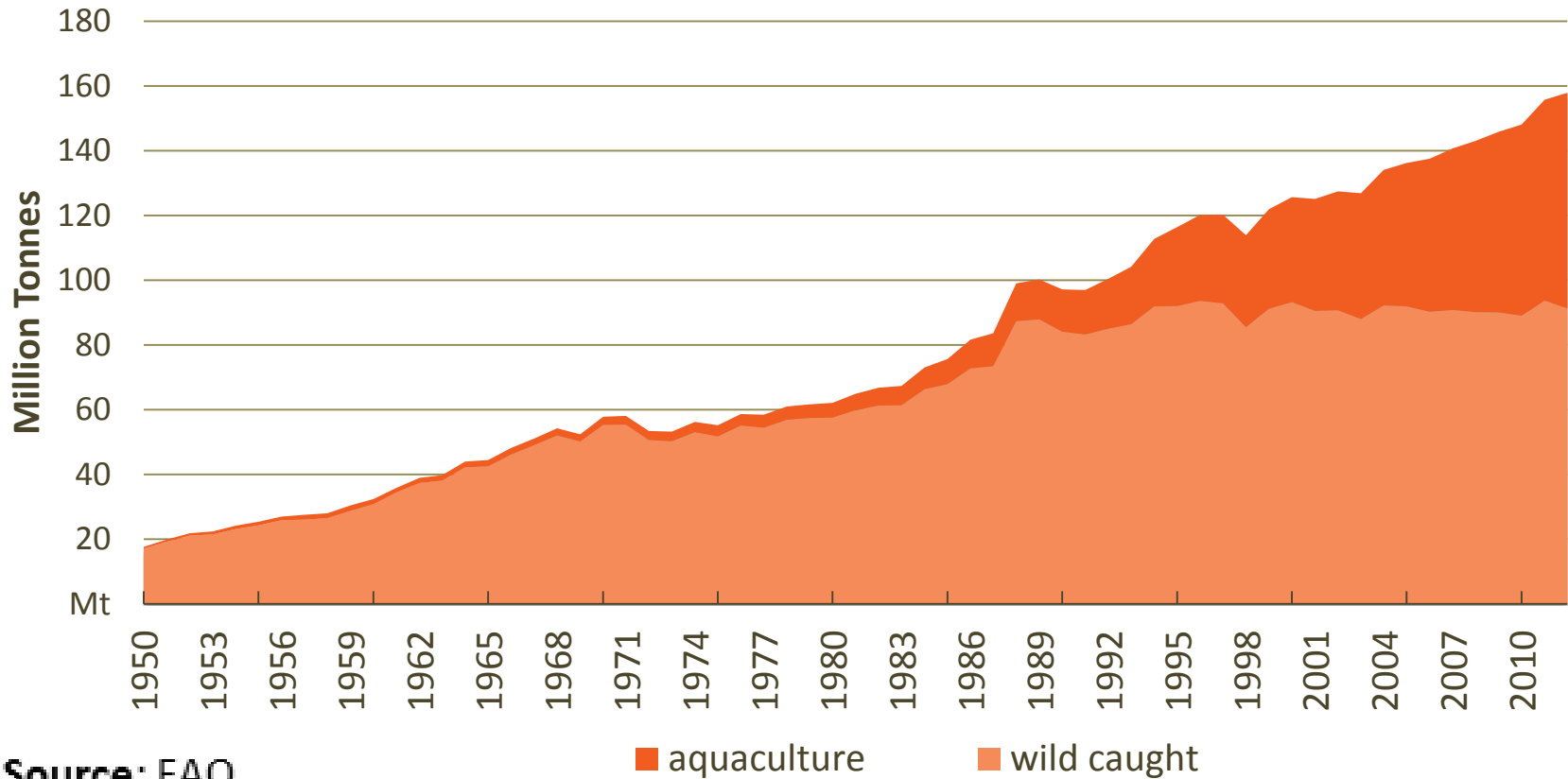


# Consumption increases with wealth





# Aquaculture to meet seafood demand



# Shrimp is the key seafood segment

- Massive global growth in shrimp aquaculture
  - 100,000 tons per annum in 1980 to 4,500,000 tons per annum
- Most valuable global trade flow
  - Import values increased by 45% between 2011 and 2014
  - About 15% of total value of internationally traded fishery products
- Top selling seafood commodity in many countries
  - In USA shrimp accounts for over 30% of all supermarket seafood sales
  - Top seafood consumed on per-capita basis
- Production
  - Yet to be consolidated and industrialised compared with the global farmed salmon industry
  - At risk from disease



# North Australia's natural advantages - aquaculture

## Biogeography

- ☛ Suitable climate
- ☛ Disease-free
- ☛ Long coastline



## Land

- ☛ Availability
- ☛ Lack of competitive uses

# Competitive advantages



## Infrastructure

- Towns, ports, road and airports
- Economies of scale

## Political economy

- Stable government
- Foreign investment support
- Free Trade Agreements

## Track-record

- High quality safe food

## Biosecurity

- Free of major diseases
- Tight biosecurity

## Science and technology

- Latest technology and processes
- Strong research institutions

## Labour

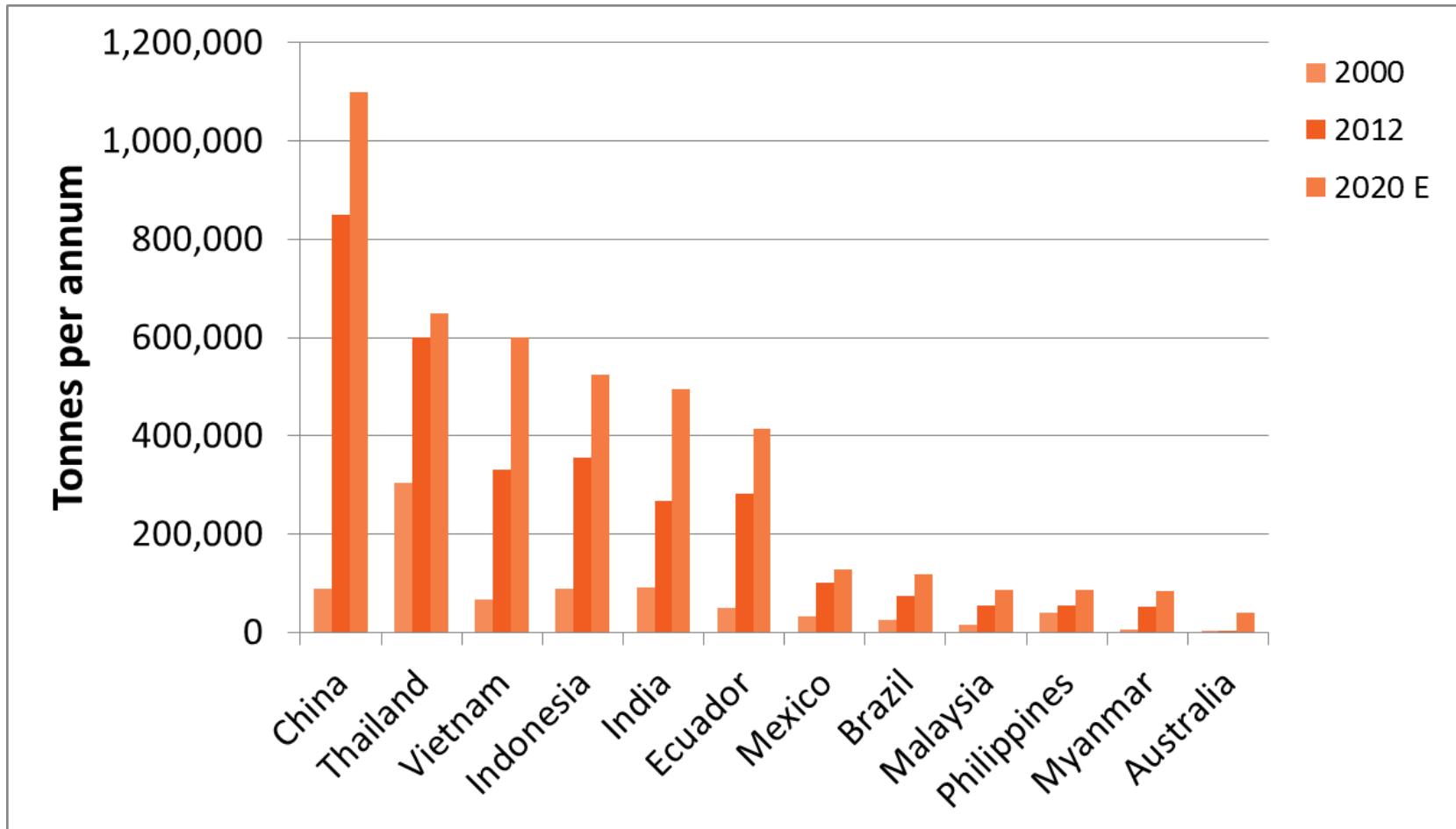
- Highly-skilled aquaculture expertise internationally sought

## Falling exchange rate

# Project Sea Dragon unique attributes

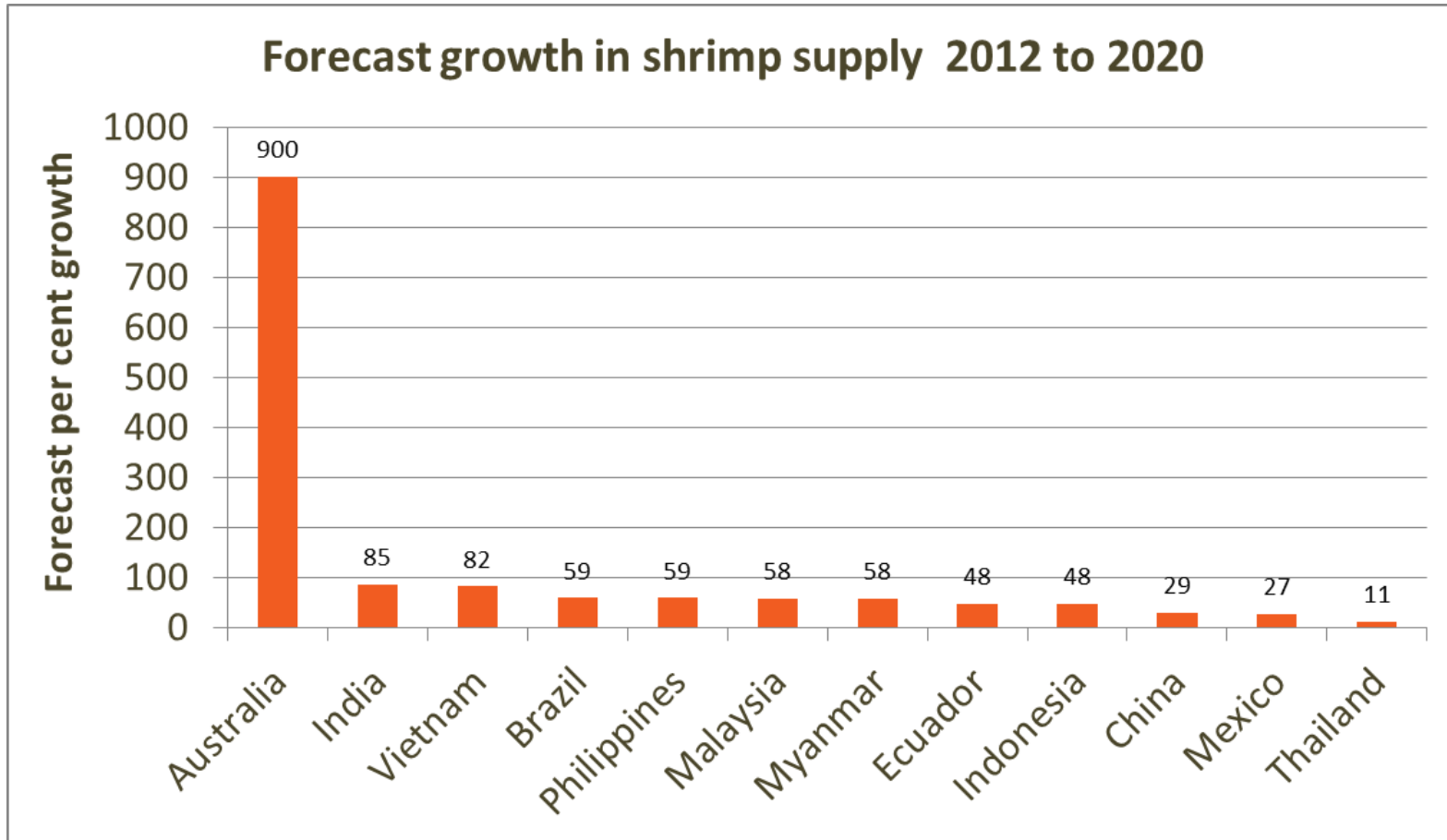
- 10,000 hectare aggregation
- Integrated production
  - Genetics, broodstock
  - Hatchery
  - Grow-out
  - Process for export
- Project expands to meet market
- Expansion from established operations
  - Seafarms 25% Australia's production
  - 1500 tonnes each year
  - > AU \$20M sales per annum
- Completed pre-feasibility
- Developed country platform
  - Biosecurity
  - Provenance
  - Food safety
- Export focussed
- Product differentiation
  - Black tiger shrimp
    - cf white-legged shrimp (vannamei)
  - Larger sizes

# Growth in shrimp production: past and forecast



Source: Rabobank estimates

# Unmatched growth opportunity



Source: Rabobank insights



# Project Sea Dragon – status and timelines

## Status

- Major project status
  - Australian Government
  - Northern Territory Government
  - Western Australian Government
- Pre-feasibility complete
  - Data-room
- Full Bankable Feasibility Study (BFS) underway
  - > AU\$61M invested by end BFS
- Approvals underway
- Pareto Securities mandated

## Project timelines

- Stage 1 – 1,000 ha
  - 10,000 tonnes
  - Breeding facilities
- BFS 2016
  - Define Capex to  $\pm 10\%$
  - Define all technical issues
- Environmental
  - EIS underway
- Construction start Dry Season 2017



# Project Sea Dragon – investment opportunities

## Pre-approval

- Early investment with major up-side
- Flexible opportunity e.g.
  - Land position
  - Off-take
  - Equity

## Post-approval

- Project finance
- Equity and debt
- Seeking financial close end 2016
- Finance for Stage 1
  - Estimated US \$150M



# Discuss the project further...



Mr Ian Trahar  
Executive Chairman



Dr Chris Mitchell  
Executive Director



Dallas Donovan  
Chief Operating Officer



Mr Harley Whitcombe  
Executive Director and CFO





## Contact Us

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