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Dear Sir

**RE: ANNUAL GENERAL MEETING OF SHAREHOLDERS
ADDRESSES TO SHAREHOLDERS**

We enclose herewith a copy of the Addresses to Shareholders which will be presented at the Company's Annual General Meeting to be held at 11.00 am today, 1 February 2016.

Yours faithfully

Seafarms Group Limited

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

Harley Whitcombe
Company Secretary

ENC

Seafarms Group Limited
ABN 50 009 317 846

Level 11, 225 St Georges Terrace
Perth WA 6000 Australia
PO Box 7312 Cloisters Square
Perth WA 6850 Australia

P +61 8 9321 4111
F +61 8 9321 4411
E info@seafarms.com.au
W seafarms.com.au



Annual General Meeting February 2016

Transformation of Australia's largest aquaculture
prawn producer into a global player

Seafarms Group Limited



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Seafarms Group Limited

Overview

1. Chairman's Overview
2. Operations
3. Project Sea Dragon



Chairman's Overview

Chairman's Letter

Welcome Ladies & Gentleman to the Seafarms Group Limited AGM.

2016 will be a big year for your company as we anticipate securing the necessary licenses to operate for the funding and development of Project Sea Dragon.

The Sea Dragon journey commenced some 4.5 years ago through an internally generated research project to determine how your company could competitively participate in the rapidly growing Asian middleclass focusing upon food and in particular protein demand.

Prawns and specifically Black Tiger Prawns stood out, as in our view, the one seafood commodity was where Australia enjoyed a significant comparative economic, scientific, bio security and technical management advantage over Asian produced shrimp.

Project Sea Dragon has progressed from Concept Study to Prefeasibility Study and now completing a Bankable Feasibility Study and has survived three attempts internally to kill the project off, as sanity checks upon our business decision making processes.

The importance of our Queensland based Cardwell operations cannot be understated for its commercial trial nature has been pivotal in embarking upon science pathways for yield and feed technology improvement. The positive outcomes of this research are already having benefits and will be incorporated into Project Sea Dragon. I would like to formally thank our science partners CSIRO, James Cook University, University of Sydney, Australian Genome Research Facility and the Australian Research Centre for their contributions.

Chairman's Letter

Cardwell Operations have provided the platform for better understanding the challenges and risks involved in growing black tiger prawns and developing risk management programs to manage biological risks. It has also provided the opportunity to develop staff training, systems and processes management, information systems, occupational health and safety and brand and merchandising experience.

The policy settings are highly supportive for Project Sea Dragon. Firstly governments at State, Territory and Federal levels are highly supportive for the Project Sea Dragon development and your company is working closely with government in regard to infrastructure funding under various government fully funded programs as well as supporting government sponsored investment forums such as the Northern Australian Investment Forum, Australian US Business Week and Pareto Securities North Atlantic Seafood Conference as a further mechanism of introducing potential investors to the project.

Secondly a number of finalised Free Trade Agreements have opened up new and significant growing markets for the company's product, as has the US-Australia Trade Agreement.

The economic outlook for Project Sea Dragon has improved substantially since the completion of the projects Pre-Feasibility Study in 2013.

Chairman's Letter

In summary there have been a number of positive factors for Project Sea Dragon including;

- Substantially reduced engineering and earthmoving costs (the largest capital spend of the project) directly related to the decline in the mineral commodities cycle;
- The decline in the Australian Dollar is highly earnings positive with the projects export focus;
- Innovative power supply solutions are being developed;
- Significantly less competitive labour market;
- Continuing and increasing demand for our product with current export prices some 55% higher than pre-feasibility estimates;
- Continuing supply and product integrity issues emanating from Asian based shrimp production.

Project Sea Dragon is based upon the staged development of up to 10,000 hectares of production ponds producing 10 metric tonnes of shrimp per hectare with an export revenue value of A\$1.8 billion per annum (based upon current domestic price points only).

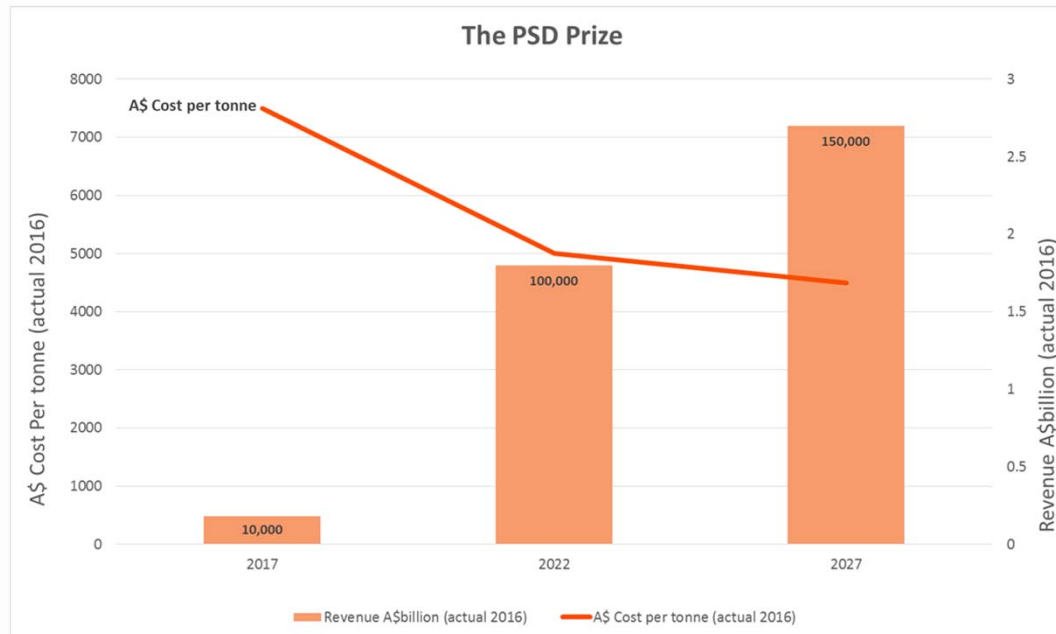
Economies of scale are real and will result in Project Sea Dragon being a globally low cost producer. The high operation gearing of the Project is reflected in its fixed and variable cost structure where the successful application of known science has a massive earnings impact as fixed costs remain substantially stable and variable costs are incrementally increased as production profiles rise.

Chairman's Letter

Costs per tonne of product are forecast to fall from A\$7,500 per tonne to around A\$4,500 per tonne over 6 to 7 years as additional production ponds are added. Based upon 100,000 tonne per annum production profile this relates to a \$300 million per annum operating cost savings. However, the really exciting upside for our company is the achievement and application of improved animal husbandry through selective specie breeding and genetics. These programs have been undertaken in association with improved feed research and were commenced in early 2015.

Science programs are targeting to lift product yields from 10 tonnes per hectare to 15 tonnes per hectare over the next 5-6 years generating an export revenue value of A\$2.7 billion per annum. This would represent approximately A\$900 million per annum of additional revenue. The company's existing operations produce yields around 10 tonnes (2 crops/5 tonnes per hectare). The best single crop outcome to date has been 15 tonnes per tonne.

Chairman's Letter



So in summary (refer to graph above) the Project Sea Dragon development is all about driving operating costs down through economies of scale and generating increasing yield through known science research technology applications. These two factors have the potential of adding A\$1.2 billion of financial benefits to this project.

Interest in the project remains robust with numerous international companies expressing interest in investing at project level and/or investing in both the project and offtake level. Surprisingly, a number of major Australian companies have recently expressed interest in the project as well.

Chairman's Letter

Finally all the necessary project approvals and indigenous land agreements are progressing to plan and remain on schedule for the project to be investment ready by the end of 2016 calendar year.

With regard to our CO2 Australian operation, this business unit remains profitable and it is an important source of the cash flow for the Seafarms Group. The business unit is in effect a free option after what appears to be a resurgent carbon economy where our substantial portfolio of emission credits may be significantly repriced upwards - who knows.

Finally I'd like to thank my fellow directors, management and staff for their commitment and focus during 2015 in the knowledge that 2016 will be our time

Thank you.

Ian Trahar
Chairman



Operational Overview

Current Operations

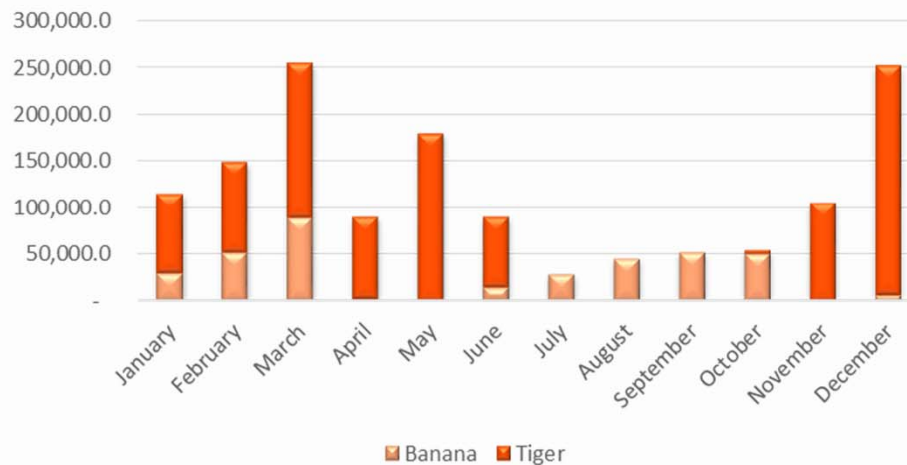
- ❖ Consolidation of the company's investment in its Queensland operations.
- ❖ Hatcheries
 - ❑ Innisfail
 - ❖ Capacity of 27 million PL's per run (up 68%)
 - ❖ Domestication program
 - ❖ R&D Project with ARC Research Hub for Advanced Prawn Breeding
 - ❑ Exmouth
 - ❖ Biosecure breeding facility
- ❖ Farms
 - ❑ Cardwell
 - ❖ 128 ha of ponds
 - ❖ Processing plant
 - ❖ Maintenance division
 - ❖ Farm administration
 - ❑ Ingham
 - ❖ 32 ha of ponds
- ❖ No further acquisitions over the last 12 months



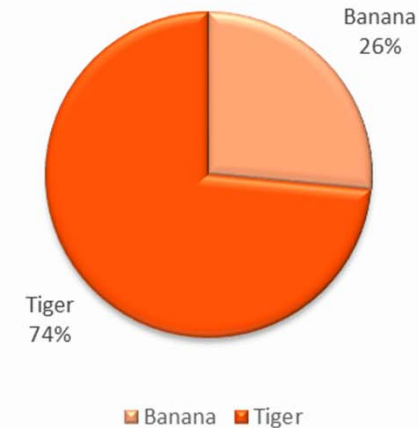
Production Overview

- Calendar year production up 28% to 1,400 tonnes
- Black tiger production increased to target mix (74%)

CY2015 Production



CY2015 Production Mix



Operational Challenges

- 🍊 Black Tiger yields were up 10% for CY2015 but challenges remain:
 - Between-pond variances appear due to a combination of factors. They include:
 - 🍊 Unseasonably cool temperatures for part of the crop-cycle;
 - 🍊 An unavoidable requirement for the company to obtain a proportion of its Post-Larvae from third parties;
 - 🍊 Dependence on wild-sourced broodstock, as opposed to a domesticated and selectively bred population of animals;
 - 🍊 Reduced production due to disease, specifically an emerging disease as communicated in the mid year report.
 - 🍊 Significant limitations on availability and quality of wild spawners

Research & Development

- 🍊 Training, research and development trials have added costs to the company's operations. Activities included:
 - Early recruitment of technical expertise and the initiation of a Graduate Employment Program.
 - Trials of different stocking densities and feeding regimes to optimise growth outcomes.
 - Trials of different feeds (local and international) some of which have resulted in higher than expected Food Conversion Rates.
 - The roll out of a new Occupational, Health and Safety systems across the organisation.
 - Development and implementation of maintenance processes for aquaculture specific infrastructure.

Research & Development

ARC Hub for Advanced Shrimp Breeding

- To –date 71 families in total have been produced at Seafarms, consisting of 7 inbred families, 60 commercial families and 4 individual families.
- RNA libraries from 8 tissue types have been subjected to next-generation sequencing (NGS) to deliver significant data on the black tiger prawn transcriptome.
- Largescale DNA marker discovery is well underway with 25,000+ DNA markers identified from black tiger prawn stocks from Joseph Bonaparte Gulf, Gulf of Carpentaria and Queensland East Coast regions.



ARC Research Hub for
**Advanced
Prawn Breeding**

Hatchery Outcomes

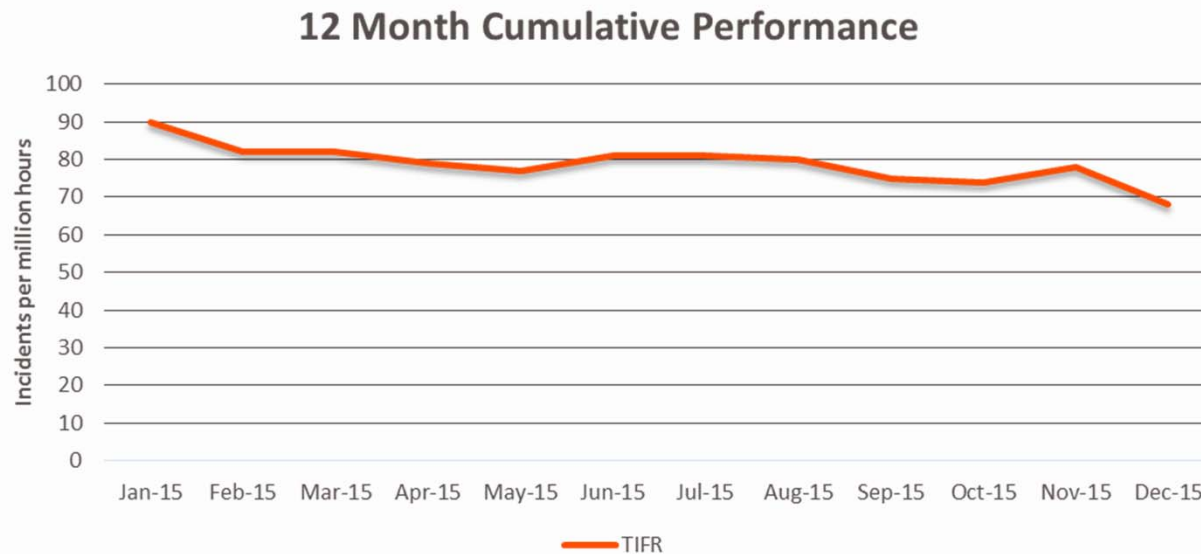
- External PL sources on target
- Domestication advancing
 - Domesticated broodstock ponds activated at Innisfail
 - 2nd generation domesticated animals harvested in November 2016
 - Further G2 families stocked in broodstock ponds at Innisfail
 - Target for G3 families to be stocked at Innisfail in April

	PL Supply Source		
	2014A	2015A	2016F
External Hatcheries	36%	19%	20%
Flying Fish Point	64%	81%	80%



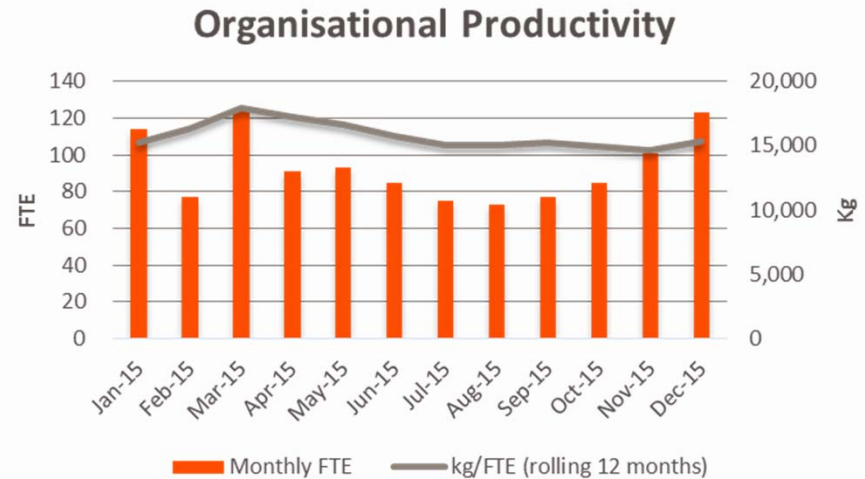
Safety

- Incidents continue to decline
- Further work needed to improve behavioural outcomes in a rural context
- Dedicated Health Safety & Environment Manager to start in February 2015



Employment & Productivity

- 93 FTE across the organisation
 - Productivity 15.3 tonnes per FTE
- Systems are in place and focus now turns to improving productivity
 - Increase yield and outputs
 - Investing in efficiency



Marketing Activities Driving Brand Growth

Key Marketing Successes 2015

- Crystal Bay brand has the highest recall Nationally
- Brand positioning , strategies & activity plans established
- Activation of positioning in all communications
- Website, Facebook, Linkedin assets and video content developed
- Innovation workshop and plans progressed
- Retailer promotional planning advanced

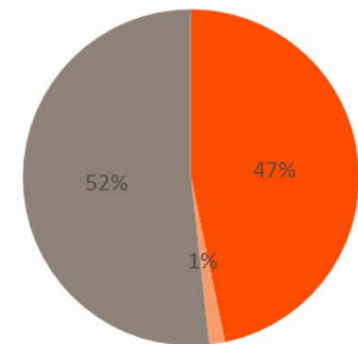
In 2016 a consistent strategy will lead to continued successful growth

Strengthening brand & positioning awareness		Social Media Activation focus to build brand audience		Implemented Promotional/ Pricing strategies	
	NPD minimising consumer barriers		Delivering Product excellence	Targeted Distribution Plans	

Sales & Distribution

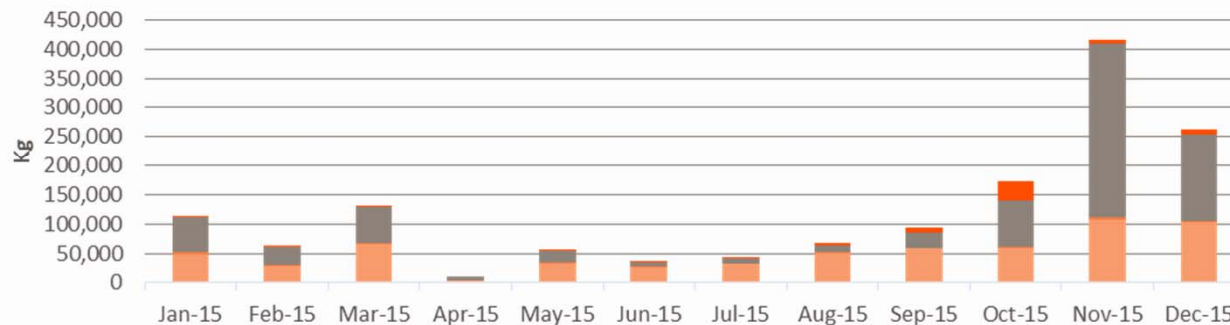
-  CY sales up 68% to \$24.7 million
 -  ASP up 6%
 -  50% of sales in November / December for Christmas supply
-  Healthy distribution mix
 -  Positive uptake by major retailers
 -  Maintenance of volume to the wholesale market

CY 2015
Market Segment



-  Wholesalers & Distributors
-  Retailers & Restaurants
-  Supermarket

Monthly Sales



 Seafood Wholesaler
  Seafood Retailer
  Supermarket
  Food Distributor
  Seafood Producer
  Other

Export Markets

- 🍊 Export approval completed in April 2015
- 🍊 Export to Asia
 - Limited volumes available due to high domestic demand
- 🍊 Discussions continue
 - Wholesaler / distributor in Europe
 - Global supermarket chain
 - Japanese sashimi wholesaler
 - Distributors in Hong Kong
- 🍊 Focus
 - High quality, niche supply.
 - Provenance story to be strong demand driver

2015 Capital Projects

Processing

- Investments with efficiency and safety focus
- Increase capacity to 23 tonnes per day
- New Automated batch weighers installed to remove labour from the packing area
- Expansion of the pack out area
 - Reduced labour requirements (17% improvement December 2014 v December 2015)
 - Improved safety – nil incidents in December 2015

Hatchery

- Broodstock production ponds



2016 Capital Projects

Hatchery

-  Infrastructure upgrades to support domestication and breeding program

Farms

-  As required capital replacement

Processing

-  Invest in freezing capacity

Looking Forward

- 🍊 Further improvement in productivity
 - 🍊 Focus on challenges and reducing variability
- 🍊 Capital projects to reduce operating costs
- 🍊 Core focus of using domesticated broodstock



Project Sea Dragon



Project Sea Dragon

- Previous advice targeting Project Sea Dragon to be investment ready by the end of calendar 2016 holds;
- As a result of the downturn in the hard commodities cycle, PSD has benefitted from substantially reduced engineering and design costs and expects its BFS costings will be well below the pre-feasibility estimates;
- Export prices are well above pre-feasibility study estimates with Asian demand for large black tiger prawns demonstrating strong growth;
- Investor/joint venture partner interest has accelerated as the project gains regulatory approvals. Strong support of the Project by government has been an important contributor to heightened offshore investor interest;

Project Sea Dragon Unique Attributes

- 10,000 hectare aggregation – staged development
- Integrated production
 - Genetics, brood stock
 - Hatchery
 - Grow-out
 - Process for export
- Project expands to meet market
- Expansion from established operations
- Export focussed
- Completed Concept (April 2013) and Pre-Feasibility Studies (June 2013)
- Developed country platform
 - Biosecurity
 - Provenance
 - Food safety
- Product differentiation
 - Black tiger shrimp
 - white-legged shrimp (vannamei)
 - Larger sizes
- Bankable Feasibility Study commenced April 2015

Favourable changes in key strategic settings since pre-feasibility studies

Markets

- Free trade agreements with key markets completed

 - China

 - Korea

 - Japan

- Australian exchange rate improves competitive position

Global challenge in supplying larger animals

Decline in hard commodity prices and fewer development projects have reduced engineering rates

Northern Australian development focus

- Recognition for need for public infrastructure investment

- Concessional loan facilities for infrastructure

Project Sea Dragon – CY15 Progress

- 🍊 Major progress in 2015 calendar year
- 🍊 Design and feasibility
 - Bankable feasibility study commenced April 2015
 - Recent updates
 - 🍊 Key high resolution topographic data-set for Legune captured by Lidar
 - 🍊 **Master Plan** outlining siting of Stage 1 Development through to 10,000 ha development completed
 - 🍊 Water engineering – pumps, water flows, channel design
 - Engineering design for Exmouth Quarantine Centre completed
 - Engineering design for other Breeding Facilities commenced
 - Preferred Darwin sites identified for:
 - 🍊 Core Breeding Centre and Broodstock Maturation Centre
 - 🍊 Commercial Hatchery
 - 🍊 Alternates

Project Sea Dragon – CY15 Progress

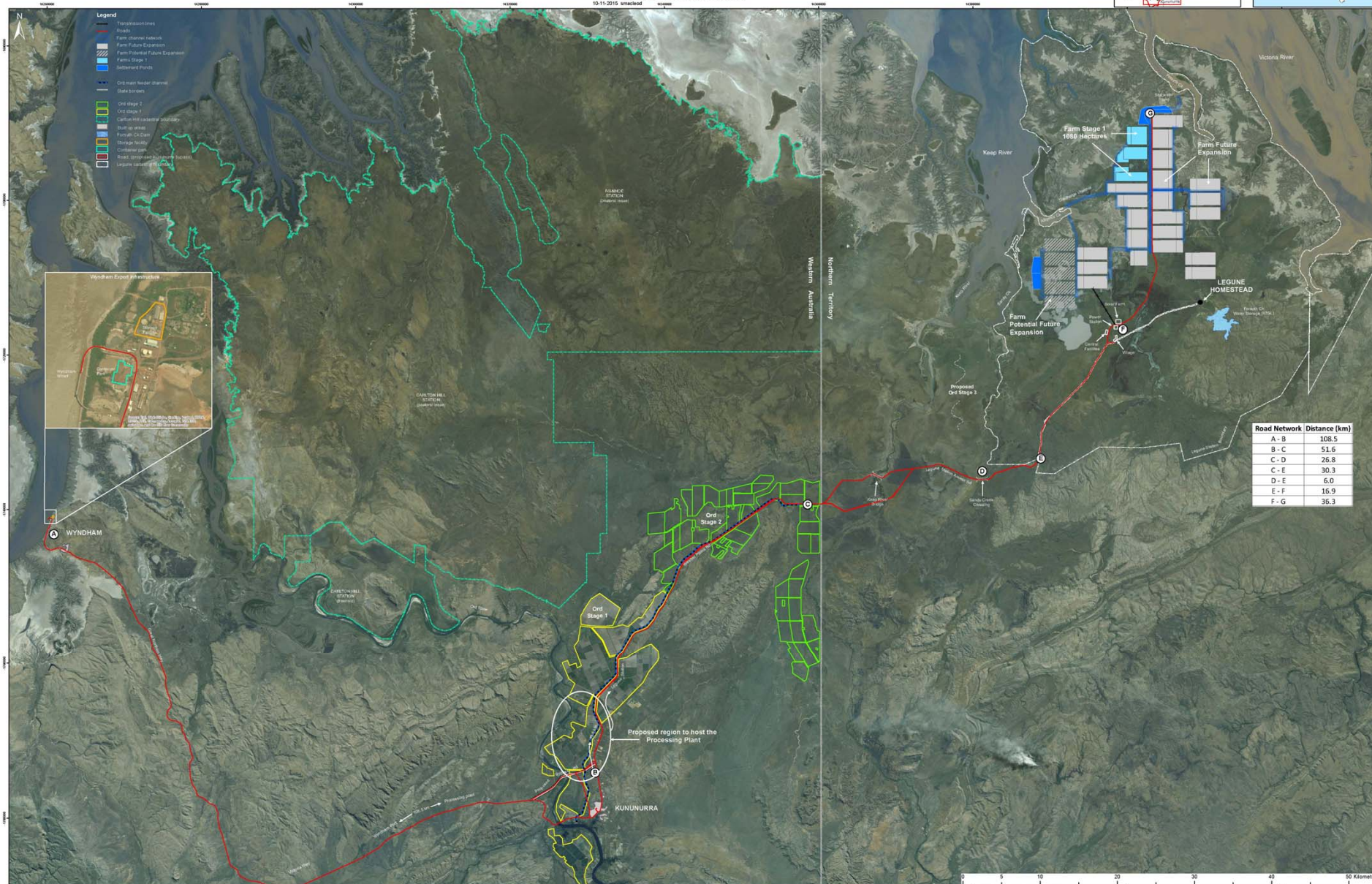
- Community & Local business
 - Public consultations held Kununurra, Timber Ck, Dundee Beach
 - Solid community support
 - Support is so strong from business community that we will open Industry Collaboration Network gateway early
- Land tenure and sites
 - Exmouth site (quarantine centre) is secured
 - Sites/s identified for Breeding program facilities
 - Alternatives appear feasible



PROJECT SEA DRAGON - Regional Footprint

Wyndham, Kununurra and Legune Station

Coordinate System: WGS 1984 Web Mercator Auxiliary Sphere
 Projection: Mercator Auxiliary Sphere
 Datum: WGS 1984
 Map ID: 9000_GEN_MP_RP007
 WVAIS: GDMapi011_MASTER RevMaps000_GEN_MA_RP007
 10-11-2015 smac000



Project Sea Dragon – Approvals

- No change to approvals required for project
 - The three key areas for approval are:
 - Environmental
 - Indigenous and cultural
 - Land tenure
 - Significant progress continues to be made

Project Sea Dragon – Project Funding

- ❖ Strong interest in the project from a number of international companies and now major Australian companies. Discussions continue to be advanced
- ❖ Governments remain very supportive of the project and continue to promote the project at a number of government sponsored investment conferences
- ❖ Seafarms scheduled to present at Australia-US Business week (Feb 2016)
- ❖ Also been invited by Pareto (the company's financial advisor) to present at its major international seafood conference in Norway (March 2016)

Project Sea Dragon - Outlook

Still targeting major approvals complete end of Calendar 2016

Government

-  Expect to complete a Project Development Agreement with the Northern Territory Government
-  Agreement to map pathways to 10,000 ha project
-  Use adaptive management approach

Indigenous and Cultural Approvals

-  Continue discussions to seek Indigenous Land Use Agreement

Environmental Approvals

-  Legune
 -  Lodge Environmental Impact Statement Q3 C2016

Core Breeding Centre and Broodstock Maturation Centre

-  Conceptual site plan & basis of design sufficient for lodging Notice Of Intent
-  Early public consultation commenced



Contact Us

Seafarms Group Limited

Level 11, 225 St Georges Terrace
Perth WA 6000

PO Box 7312
Cloisters Square WA 6850

T. +61 8 9321 4111

F. +61 8 9321 4411

E. info@seafarms.com.au