

ANNOUNCEMENT



NZX / MEDIA RELEASE

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SeaDragon plans 1:2 pro-rata renounceable rights offer

SeaDragon Limited (NZX:SEA) today announces an intention to raise a minimum of \$0.25 million through a pro-rata renounceable rights offer to all existing shareholders.

The new capital is in addition to the \$3 million convertible loan note facility recently entered into with Comvita and that is the subject of a shareholder vote at the upcoming AGM.

SeaDragon Chairman Colin Groves said: "As shareholders are aware, SeaDragon is undertaking a staged exit from the Omega-2 market and focusing on the considerable opportunities it sees in the Omega-3 market. As previously announced on 30 June 2016, the company has been considering capital raising options and has decided to initiate a rights offer to shareholders to provide additional capital to facilitate growth and meet working capital needs."

The final terms of a potential rights offer remain to be confirmed but at this stage the board currently expects the offer will be a 1-for-2 pro-rata renounceable rights offer with an issue price of \$0.008 per share (representing a 38.5% discount to SeaDragon's closing price as at 10 August 2016). This is the same price as the conversion price under the convertible loan note agreement with Comvita.

By undertaking a 1:2 pro-rata renounceable rights offer, SeaDragon would be offering shareholders the ability to subscribe for one new share for every two shares they hold as of the record date (yet to be set).

SeaDragon will announce further information once details have been finalised.

For further information contact:

Colin Groves
Chairman
Tel: +64 21 928 003

About SeaDragon www.seadragon.co.nz

SeaDragon (NZX:SEA) is New Zealand's largest refiner and blender of high-quality, internationally-certified concentrated fish oils and fractions, including Omega-3 oils. Our oils are sourced from fish caught in the clean and pure waters around New Zealand, in the Southern Ocean, and elsewhere. We have more than 20 years' experience processing fish oils and we are recognised for the quality and purity of our products. We supply health supplement manufacturers around the world to meet the burgeoning demand for pure, high-quality fish oils, which are scientifically proven to deliver significant human health benefits such as lowering the risk of heart disease, improving brain function and joint health. The majority of our supply is exported.