



Mareterra



Mackerel Acquisition and Capital Raising

Important Information and Disclaimer

Summary information

This Presentation contains summary information about Mareterram Limited (**MTM** or the **Company**), its subsidiaries and their activities which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in shares in the Company (**New Shares**) or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

The historical information in this Presentation related to MTM is, or is based upon, information that has been lodged with the Australian Securities Exchange (**ASX**) and released on ASX's Market Announcements Platform. This Presentation should be read in conjunction with the Company's other periodic and continuous disclosure announcements which are available at <http://www.mareterram.com.au> or www.asx.com.au.

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice. The Company reserves the right to withdraw the Placement or vary the timetable for the Placement without notice.

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This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire New Shares in and does not and will not form any part of any contract for the acquisition of New Shares. The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. Refer to the 'International Offering Restrictions' on page 16 of this Presentation for more information.

This Presentation may not be released or distributed in the United States. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, New Shares may not be offered or sold, directly or indirectly, in the United States, unless they are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

Not investment advice

Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Company and the impact that different future outcomes may have on the Company. This Presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of New Shares. Cooling off rights do not apply to the acquisition of New Shares.

Investment risk

An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance of the Company nor does it guarantee any particular tax treatment. Investors should have regard to the 'Key Risk' section in this Presentation for a non-exhaustive summary of the key risks factors that may affect MTM and its financial and operating performance.



Important Information and Disclaimer

Past performance

Investors should note that past performance, including past share price performance and financial performance should not be relied upon as an indicator of (and provides no guidance as to) future Company performance including future share price performance.

Future performance and forward looking statements

This Presentation contains certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance' and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Placement of New Shares (**Placement**) and the use of proceeds. You are cautioned not to place undue reliance on forward looking statements.

The forward looking statements contained in this Presentation are provided as a general guide only and should not be relied on as guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the 'Key Risks' section of this Presentation for a summary of certain general and Company specific risk factors that may affect the Company and New Shares. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results, achievements or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. The forward looking statements are based on information available to the Company as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Disclaimer

Neither the lead manager, nor any of their or the Company's respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them.

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Executive Summary

- **Acquisition of Western Australian mackerel fishing assets for \$4.95m¹**
 - Consistent with growth strategy
 - Provides scale and diversity in the established Western Australian mackerel fishery
 - Long term resource with mackerel licences held in perpetuity
 - Product to be sold through existing food distribution channels
 - Fishing expected to commence in April 2018
- **Funded by a conditional Placement and bank debt**
 - Conditional placement of 15m shares at \$0.25/share to raise \$3.75m (before issue costs) (**Placement**)
 - Sea Harvest to cornerstone the Placement and participate to maintain its existing ~55.89% ownership
 - Director participation (subject to shareholder approval)
 - Placement is subject to approval by shareholders at a general meeting
 - Initial debt funding of \$2m (including \$300,000 short term vessel refit loan), expected to be reduced to approximately \$1m (post sale of surplus vessel and repayment of vessel refit loan from cashflow)

1. Excluding stamp duty and transaction costs

Strategic Rationale



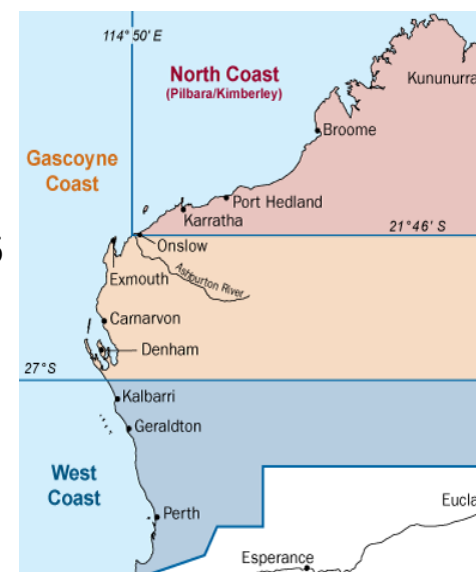
Mareterram

Value	<ul style="list-style-type: none">• Spanish mackerel is a premium white fish• Product filleted and snap frozen on board• Licences in perpetuity• Rationalised operation<ul style="list-style-type: none">• Acquiring two vessels and associated mackerel units• Consolidate Licences on single vessel and sell surplus vessel post-completion
Scale	<ul style="list-style-type: none">• Provides MTM with approximately 30% of the WA mackerel fishery• Additional volume for existing sales team• Increases total fishing quota held by MTM• Increased utilisation of Carnarvon engineering hub to service new vessel
Diversity	<ul style="list-style-type: none">• Diversifies MTM into a high quality new fishery• Additional product for MTM's basket of goods

Acquisition Overview

- MTM has agreed to acquire two large vessels, three smaller vessels (known as dories) and associated mackerel and other licences
- Total acquisition price of \$4.95m¹
- Acquisition remains subject to certain conditions precedent²
- Completion expected between 1 – 14 January 2018³
- Key mackerel fishery details:
 - The commercial catch of Spanish mackerel has been 270-330 tonnes since 2006
 - Fishery extends from West Coast Bioregion to NT border
 - Majority of the catch is in the North Coast Bioregion, where the licences operate
 - Targeted catch is Spanish mackerel
 - Licences allow for fishing throughout the year; traditionally fishing occurs between April and December

Western Australian Mackerel Fishery Regions



1. Excluding stamp duty and transaction costs of c.\$0.35m and reimbursement of 2018 licence renewal fees (if incurred).
2. The conditions precedent require no material adverse change to assets before Completion, satisfactory final inspection of assets by MTM and regulatory approvals required to transfer licences to have been obtained by 14 January 2018.
3. Shareholders and potential investors should note that completion of the Acquisition remains subject to conditions precedent in note 2 above. While MTM is confident that these conditions precedent will be satisfied, if the Acquisition does not proceed, MTM intends to use the proceeds of the placement to review and pursue alternative investment opportunities, working capital, debt reduction and/or ways to return proceeds to shareholders.

Acquisition Funding

- Consideration is payable in cash funded via:
 - \$3.75m conditional Placement
 - initial debt funding of \$2m (including \$300,000 short term loan for vessel refit), to be reduced to approximately \$1m¹

Sources of Funds	A\$m	Uses of Funds	A\$m
Placement	3.75	Acquisition (all-cash)	4.95
Bank debt ¹	2.00	Working capital, vessel refit, stamp duty and other acquisition costs	0.80
Gross Proceeds	5.75	Total Uses	5.75

1. Debt expected to be reduced via proposed post completion sale of one of the vessels being acquired that is surplus to the Company's operations and repayment of vessel re-fit loan from cashflow

Placement Overview

Size and Structure	<ul style="list-style-type: none"> Conditional Placement of 15.0m new ordinary Mareterram shares (New Shares) to sophisticated and professional investors to raise \$3.75m (before issue costs) Placement subject to shareholder approval at a general meeting of shareholders expected to be held on Tuesday, 12 December 2017¹ Major shareholder Sea Harvest to subscribe for New Shares to maintain its 55.89% shareholding
Placement Price	<ul style="list-style-type: none"> Placement price of \$0.25 per New Share represents: <ul style="list-style-type: none"> 7.4% discount to the last traded price on Tuesday, 31 October 2017 (\$0.2700) 11.1% discount to the 5 day VWAP on ASX (\$0.2773) 13.7% discount to the 15 day VWAP on ASX (\$0.2896) 13.7% discount to the 30 day VWAP on ASX (\$0.2898)
Indicative Key Dates²	<ul style="list-style-type: none"> ASX trading halt – Wednesday, 1 November 2017 Book opens – Wednesday, 1 November 2017 Shares re-commence trading – Friday, 3 November 2017 General meeting to approve Placement – Tuesday, 12 December 2017 Settlement of New Shares under Placement – Wednesday, 13 December 2017
Ranking	<ul style="list-style-type: none"> Pari passu with existing fully paid ordinary shares
Use of Funds	<ul style="list-style-type: none"> To partially fund the Acquisition, working capital and costs

1. Including shareholder approval for the purposes of ASX Listing Rule 10.11.

2. The above timetable is indicative only and subject to change. MTM reserves the right to amend any and all of these events, dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws, including securities laws. The commencement of quotation of New Shares is subject to confirmation from ASX. All references in this Investor Presentation are to Australian EST (Sydney) time unless otherwise noted.



MTM Overview and FY2017 Highlights

Corporate Snapshot

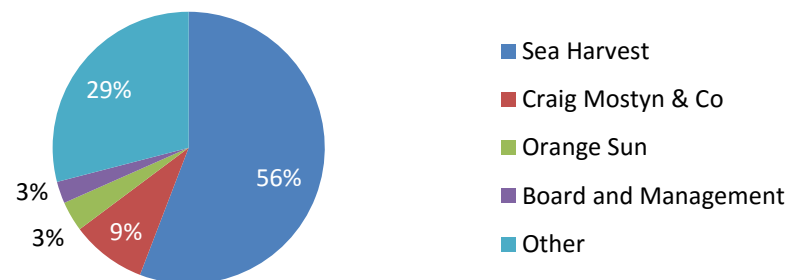
Capital Structure

Share price as at 31 October 2017 (ASX:MTM) (A\$)	0.27
Shares on issue (m)	139.54
Market capitalisation (A\$m) (undiluted)	\$39.67
Performance rights (m)	4.69
Incentive options (m)	5.00

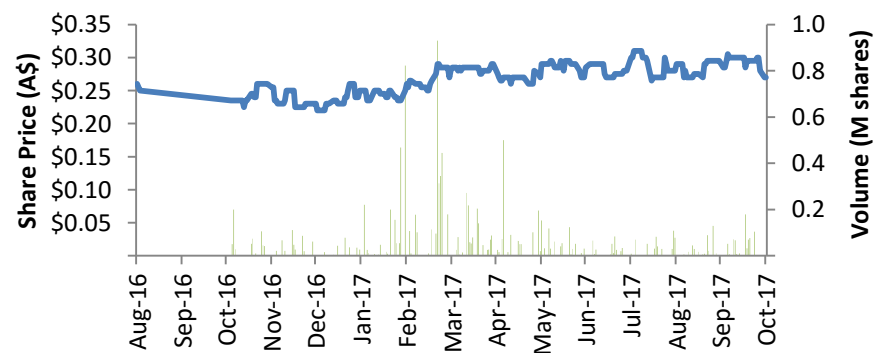
Board and Management

Peter Hutchinson	Chairman
David Lock	Managing Director and CEO
James Clement	Executive Director and COO
Felix Ratheb	Non-Executive Director
Mark Pitts	Non-Executive Director
Fred Robertson	Non-Executive Director
Muhammad Brey	Non-Executive Director
Richard Duncan	CFO and Company Secretary

Major Shareholders



Share Price Performance



MTM Overview

- 11 vessel fishing fleet with 56% of licences in MSC certified Shark Bay Prawn Managed Fishery
- Catching prawns, crabs, scallops and by-catch in season from March to October
- National offices selling own and agency products to domestic food service and retail and export markets – 110 employees
- Met financial expectations for 1st full year of operations
- Significant increase in value of licences
- MSC certification
- Strong platform for growth
- Majority shareholder aligned with growth strategy



2017 Key Highlights

- 2017 fishing season complete (see next slide for operations update)
- Migrated Sea Harvest retail business
- Presented with the industry's highest award for safety by WA Seafood Industry Awards
- 11th vessel acquired in Nov 2016 and currently being refitted
- ERP system successfully implemented
- NAV underpinned

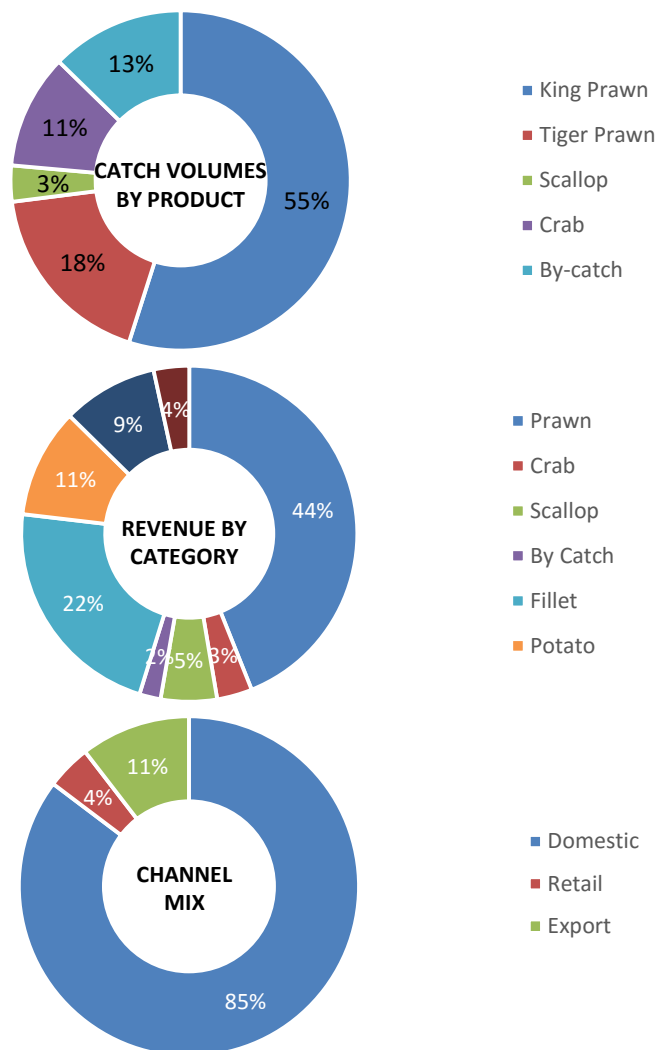
Operations update¹

- 2017 fishing season summary (as compared to 2016 fishing season):
 - Prawn catch volume up (to 830 metric tonnes)
 - Average prawn size lower, therefore prawn catch average price is expected to be lower
 - Scallop catch volume up (to 39 metric tonnes)
 - Average scallop size landed in line
 - By-catch volumes in line
 - Increased fuel and crew share costs
- Restructuring costs anticipated in the 6 months to 31 December 2017
- Net effect is expected lower earnings for 6 months to 31 December 2017 (as compared to same period for 2016)

1. For additional details please see Company announcement to the ASX of 30 October 2017.

FY2017 Results Summary¹

- Sales revenue: \$49.0m
- Gross Profit: \$11.1m
- EBITDA: \$6.0m
- PBT: \$4.6m
- NPAT: \$4.6m
- Includes \$1.5m writeback of accrued earnout for Food Service business
- Includes DTL \$7.6m (reinterpretation of AASB 112). DTL will not directly result in future cash outflow
 - Reduced net assets by \$7.6m



1. Please refer also to the Company's announcement of 23 August 2017 of its full year results for the period ended 30 June 2017 for additional detail

Building a diversified agri-business

Four pillars growth strategy

Maximise catch volume and value

- Fish every night
- Vessel reliability
- R&D
- Crew
- Max economic yield

Maximise utilisation of assets

- Additional quota
- Land based infrastructure

Grow our Foods business

- Maximise value
- Build brand
- Export agencies

Build value, scale & diversity through strategic acquisitions

- Smaller bolt-ons
- Larger to diversify species &/or geography
- EPS positive

International Offering Restrictions

Introduction

This document does not constitute an offer of new ordinary shares ("**New Shares**") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand

This document is not a product disclosure statement or any other form of disclosure document under the Financial Markets Conduct Act 2013 (the "FMC Act"). This document has not been registered, filed with or approved by any New Zealand regulatory authority under the FMC Act. The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

South Africa

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act and may not be distributed to the public in South Africa.

An entity or institution resident in South Africa may not implement participation in an offer of securities unless :

- (i) permitted under the South African Exchange Control Regulations or
- (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

Introduction

There are a number of risks, both specific to the Company and of a general nature, which may, either individually or in combination, affect the future operational and financial performance of the Company and the value of its shares.

The risks set out below are not, and should not be considered to be, an exhaustive list of all the risks relevant to an investment in the Company. The Company, however, considers that these risks represent key risks to an investment in the Company. Additional risks and uncertainties that the Company is unaware of, or that the Company considers to be immaterial, may also become key risks that can adversely affect the Company's operational and financial performance in the future. These key investment risks are general in nature and regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor.

Before investing, or increasing any investment, in the Company, participants should consider whether an investment is suitable for them having regard to the risk factors set out below, publicly available information, own investment objectives, and personal financial and other circumstances. Investors should consult their professional adviser if they have any doubts about an investment in the Company.

Key Investment Risks

Offer Risks

The proposed placement is subject to shareholder approval for the issue of securities. There is no guarantee shareholder approval will be obtained. If approval is not received there is no assurance that the Company will be able to access and secure additional funding on reasonable terms or at all.

Completion Risk

Completion of the Acquisitions is subject to the satisfaction of certain conditions precedent. Some of these conditions are outside the control of the Company. If the conditions precedent are not satisfied, the Acquisition will not complete.

Stock Market Fluctuations

The value of the Company's shares will be determined by the stock market and will be subject to a range of factors beyond the Company's control. These factors include, but are not limited to, the demand for, and availability of the Company's shares, movements in interest rates, exchange rates, and rates of inflation, fluctuations in the Australian and international stock markets, changes in fiscal, monetary and regulatory policies, and general domestic and international economic activity.

Seasonal, environmental and disease risks

As an agribusiness, the Company is exposed to volatility in supply caused by seasonal weather and environmental conditions and the risk of the outbreak of disease, all of which could adversely impact on the fish stocks and biomass growth in the relevant source fisheries or the harvest of various seafood and vegetables.

Exchange Rate Fluctuations

Exchange rate fluctuations affect the Company's profitability. The Company reports its financial results and maintains its accounts in Australian dollars, whilst a proportion of the Company's business is conducted in currencies other than Australian dollars. Foreign exchange rates are impacted by a number of factors beyond the Company's control. Changes in exchange rates cause revenues and expenses incurred in non-Australian dollar currencies to fluctuate, possibly causing expenses to be greater than expected or revenues to be lower than expected.

Key Risks (continued)

Financing Considerations

The Company may need to raise additional debt or equity funds in the future to fund its activities. There is no assurance that the Company will be able to renew existing debt funding, or obtain additional debt or equity funding when required, or that the terms associated with that funding will be acceptable to the Company. This may have a material adverse effect on the Company.

Interest Rate Risks

Interest rates may rise significantly which may impact terms of trade, working capital and finance costs in the Company's future operations.

Fishing Licences and regulation in Western Australia

The company is required to adhere to numerous legislative and regulatory requirements when undertaking commercial fishing in Western Australia, including, but not limited to the Fish Resources Management Act 1994 (WA) and related regulation, and the relevant managed fishery plans.

Changes to Government Legislation and Legislative Instruments

New legislation and changes to existing legislation and government policy in jurisdictions in which the Company operates may impact upon the Company and its operating performance. Fishing in Western Australia is regulated by various acts and other legislative instruments, including the management plans, notices, orders and determinations, which are able to be varied, repealed or revoked. Changes to the Western Australian Government's policy in relation to fishing or to any of this legislation or legislative instruments has the potential to materially impact the Company's operational and financial performance.

Dependence on Key Personnel

Retaining and recruiting qualified personnel is critical to the Company's success. If the Company cannot attract and retain qualified personnel it could adversely affect the Company's operations and its future growth plans. The operation of the Company's fishing fleet requires the contracting of skippers and crew for each fishing season. There is a risk that suitably experienced and licensed skippers and crew will not be sourced and contracted for one or more vessels in a particular fishing season, which could prevent or restrict the operation of that vessel during that season.

Retention of Key Business Relationships

The Company relies on strategic relationships with other entities such as suppliers and business partners. Any circumstance, which causes the early termination or non-renewal of one or more of these key business arrangements or contracts, could adversely impact the Company.

Environmental Impact

The Company could be subject to claims due to environmental damage. This could subject the Company to potential liability and have an adverse effect on the Company's financial and operational performance.

Diesel Price

Diesel fuel is one of the largest operating costs of the Company. The price of diesel is volatile and subject to market conditions. An increase in the price of diesel which cannot be hedged at a reasonable cost would have a materially negative impact on the Company's business operations and financial performance



Key Risks (continued)

Operational and Execution Risks

Successful execution of the Company's business plan is dependent on the implementation of initiatives. There are execution risks inherent in the Company's business initiatives and no assurance can be given that the Company will be successful in their implementation. The Company may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds, including by way of share issue may be required to fund the Company's future objectives.

Occupational Health and Safety

The commercial fishing industry is a high risk industry. Given the nature of the industry that the Company operates in, the Company's employees and contractors are at risk of workplace accidents and incidents. In the event that an employee of the Company is injured during the course of their employment, the Company may be liable for penalties or damages under the relevant occupation health and safety regulations.

Closure of Fisheries

The fisheries in which the Company will operate are subject to seasonal closure, monthly moon closures and specific area closures which reduce the effective fishing effort in those fisheries. In addition, a significant environmental or biological event may have a substantial impact on the sustainable biomass of the fisheries in which the Company operates and could cause an extended or permanent closure. These closures will materially affect the volume of catch in any season.

Product Pricing

The Company negotiates prices based on measures of supply and demand and the exchange rate and it is therefore not able to guarantee the prices and terms of future transactions.

Competition Risk

The Australian seafood market is highly competitive with numerous alternative suppliers of local seafood and a substantial volume of imported wild caught and aquaculture product. In the export market, the Company faces strong competition from the increasing volume and improving quality of aquaculture products (particularly from Asia), as well as other established international wild capture seafood suppliers. There is no guarantee that the Company will be able to compete effectively with existing and new competitors in the future.

Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its shares. Therefore, shares issued by the Company carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for shares.

General Economic Conditions

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and share price can be affected by these factors, all of which are beyond the control of the Company.



Mareterram

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