



25 July 2019

Angel acquires additional premium water in Coffin Bay and disposes of Smoky Bay assets

Finishing capacity to increase to 10 million oysters per annum

Angel Seafood Holdings Limited (ASX: AS1) (the "Company" or "Angel") is pleased to announce that it has entered into an agreement to acquire an additional 1.5Ha of quality water in Coffin Bay, and arrangements to dispose of its assets in Smoky Bay.

High quality water in Coffin Bay acquired; increases finishing capacity to 10 million oysters

Angel has entered into an agreement with Mr Gregory Lawrence to acquire 1.5Ha of quality water in Coffin Bay for \$600,000; consisting of 1.0Ha located in the highly productive Central Zone to be used for conditioning oysters for sale ('finishing'), and 0.5Ha located in Kellidie Bay to expand grow out areas. The leases come with existing good quality infrastructure that requires minimal further investment, and are immediately available for use upon entering into the agreement.

A deposit of \$120,000 is payable on signing the agreement with the balance payable in two tranches; \$180,000 payable on 18 December 2019 and \$300,000 on 1 July 2020, with outstanding balances accruing interest at 6% per annum.

The acquisition has an expected payback period of 2½ years and will be funded from Angel's cash flow, including proceeds from the disposal of non-core assets (refer below).

This acquisition increases Angel's water holding in Coffin Bay to 12.25Ha and increases the Company's finishing capacity to 10 million oysters per year. This further positions Angel for additional growth in production over FY20.

Smoky assets disposal

In parallel, Angel announces that it has entered into agreements of sale to dispose its assets in Smoky Bay, consisting of 1.3Ha of water leases and on-land infrastructure and equipment, for a total of \$450,000. The proceeds will be used to fund the acquisition of additional water in Coffin Bay (refer above), and also pay down debt to improve the balance sheet position.

The Smoky Bay leases were part of the initial operations of Angel, but due to the effectiveness of the Cowell and Coffin Bay growing areas these leases were now considered non-core, as such the Board has decided that these assets were no longer required.

Commenting on the Coffin Bay acquisition and Smoky Bay disposal, Angel's CEO and founder, Zac Halman, said:

"The acquisition of additional good quality water in Coffin Bay is another important step in delivering our growth ambitions and strengthens our multi-bay operations between Coffin Bay and Cowell."

"The disposal of Smoky Bay assets is driven by our strategic intent to focus our multi-bay strategy on Cowell and Coffin Bay, while also optimising our capital allocation.

"We head into FY20 on a strong footing to deliver strong growth in production of oysters," said Mr Halman.

Further Information

Any questions or requests for further information should be directed via email to:

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Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, variations in spat supply, production estimates and growth and mortality rates from those assumed, as well as the impact of governmental regulation.

The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws