



28 May 2018

ASX:AS1 – 50% Increase in Cowell Operation Footprint

Angel Seafood Holdings Ltd (Angel/the Company) is pleased to announce that it has today executed a lease contract to increase its water holdings by 50% in the key operational bay of Cowell. The lease, once fully operational, will bring Angel's water holdings in Cowell to over 15-Hectres (Ha) and total water under the Company's control to over 65Ha.

The Company estimates that its water holdings in Cowell alone; without allowing for the impact of any unforecast adverse events that may or may not affect the oyster industry, once fully developed and stocked, should provide 13-million oysters per annum to Angel's finishing water in Coffin Bay.

Angel has been operating in Cowell since November 2017. During this time the bay has proven to be a real performer in terms of speed and quality of oyster production. The Board determined, given this previous operational experience, that further expansion in this bay is the most effective use of the Company's resources to ensure that future anticipated production targets can be met.

Targeting growth, through a long-term lease, allows the Company to deploy assets and resources in the most simple, efficient and cost-effective manner.

Lease Highlights:

- 5.4 Ha of prime water located adjacent to Angel's current 'super-lease' in Cowell. The water is leased from DLMJ Superfund Pty Ltd and commences on 01 June 18.
- Initial lease term of 5-years, with a further 5-year option.
- The lease is subject the Lessor successfully obtaining Licence Subdivision from the Department of Primary Industries and Regions, SA (PIRSA), and then the subsequent transfer of the Marine Mollusc Licence for leases to the Lessee by 31 December 2018 (standard clause for oyster leases).
- In return for a favourable lease term and rate, Angel, utilising its Company resources, will:
 - o Develop 2Ha of the lease water that is currently vacant
 - o Improve 2.4Ha of the current lease infrastructure
- The owner will provide, at its cost, the required posts to conduct the development listed above.
- Allows production from this bay to increase to meet the Company's intended mid-term growth targets.
- The lease also comes with the rights over the Lessor's spat allocation entitlements that are associated with this water.

The Company anticipates that this lease water will be fully operational later this calendar year in time for the high growth period associated with late Spring.

Further Information

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

chairman@angelseafood.com.au

Ends.