



29 October 2018

Acquisition of additional prime water in Coffin Bay

Increases oyster production capacity by 50%

Angel Seafood Holdings Ltd (ASX: AS1) (the "Company" or "Angel") is pleased to announce it has entered into a lease contract with the option to purchase three and a half (3.5) hectares (Ha) of fully developed prime water located in the Longnose Zone of Coffin Bay, which includes 1Ha located in the extremely productive 'Sandspit' sub-zone. This new water increases Angel's produce capacity to 9-million "market ready" oysters per year – a 50% increase on current capacity.

Angel's water holdings in Coffin Bay now total 10.25Ha and the Company has the rights to over 70Ha of water across the Eyre Peninsula.

Angel will lease the water for the next three years from C & L Hank Nominees Pty Ltd and Chrisinda Pty Ltd (joint vendors) for an annual consideration of \$126,000 with the Option to purchase at the completion of the lease for a total consideration of \$1,920,000 (includes \$120,000 of plant and equipment). The Company will pay a \$288,000 deposit to secure the Option to purchase on completion of the lease. Angel will have access to the water immediately.

In addition to the lease and Option to purchase, Angel has also secured the purchase of 1.9 million oysters that are currently located on the 3.5Ha of water. These have been purchased for 25.3 cents per oyster, totalling \$480,000 – \$230,000 payable on signing and a further \$250,000 payable on or before 31 July 2019. These oysters, and the lease/deposit payment, will be funded out of cashflow and the existing NAB facility.

Given the tight supply of spat and on-grown oysters this stock will have a major benefit to the Company, ensuring Angel's water leases remain full. It is expected that much of this stock will be sold this financial year.

Angel's CEO and founder, Zac Halman, commented:

"Angel has previously announced that it had enough water in Coffin Bay to build operations that are operating cash flow positive. This additional water now means Angel can further expand its finishing capability in the pristine waters of Coffin Bay and leverage the scale we are building in the business. With our leases in Cowell and Coffin Bay now full, we look forward to further expanding our sales over the coming 18 months."

Further Information

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

Eric Kuret
Market Eye
M: +61 417 311 335
E: eric.kuret@marketeye.com.au

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 law.