

ANNOUNCEMENT



NZX / MEDIA RELEASE

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SeaDragon raises \$3.0 m from Comvita; confirms exit from Omega-2 market

Comvita convertible loan to provide liquidity as SeaDragon to focus on significant Omega-3 opportunities.

SeaDragon (NZX.SEA), New Zealand's largest refiner and blender of high quality fish oils and fractions, announces its cornerstone investor Comvita has agreed to advance \$3 million via a convertible loan to assist the company through its staged exit of a currently difficult Omega-2 market and gradual build-up of the Omega-3 business.

SeaDragon Chairman Colin Groves said: "Over the last 12 months SeaDragon has transformed its business. With the completion of our new Omega-3 refinery, we have lifted the company's processing capacity from just over 200 tonnes to 5,000 tonnes per year.

"We now have the production capability in Omega-3 to look to firm up both supplier and customer agreements to deliver on our strategic objectives. The new refinery is performing well, we are steadily building Omega-3 raw material supply relationships and we are encouraged by the response we have received from potential customers.

"As we signalled in late April, volatility in Omega-2 markets has overshadowed these achievements, with SeaDragon experiencing an extension in the Omega-2 sales cycle, and a build-up in inventory. This has resulted in a slower transition from that market and a run-down of cash reserves.

"Comvita's agreement to advance \$3 million via a convertible loan allows this transition from Omega-2 to Omega-3 to occur in a smoother way. "SeaDragon's Board is delighted with today's agreement, it represents an extension of last-year's strategic partnership, which saw Comvita subscribe for \$3 million of new shares and agree to partner with SeaDragon to add value to the New Zealand fishing and aquaculture industries. Comvita's continuing support is very valuable" Mr Groves concluded.

Comvita CEO Scott Coulter said: "Omega-3 fish oils are a core ingredient platform for Comvita. We are committed to an on-going investment to establish a unique New Zealand sourced range of high quality fish oils and are happy to continue to partner SeaDragon to realise this opportunity"

The convertible loan will be subject to SeaDragon shareholder approval at the annual meeting scheduled for in August 2016. SeaDragon will update the market as soon as a date for this meeting has been set and additional information will be provided to shareholders in advance of that meeting.



SeaDragon expects to release its preliminary unaudited results for the year to 31st March 2016 on 30th May 2016.

For further information:

Investors:

Colin Groves

Chairman

Tel: +64 21 928 003

Media:

Richard Inder

The Project

+64 21 645 643

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.