

Our Ref: CGL ASX Announce Moelis & Company Corporate Presentation (419)

29 July 2014

ANNOUNCEMENT 419

Company Announcements Office
Australian Stock Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

By ASX Online
Number of pages: 66
(including this page)

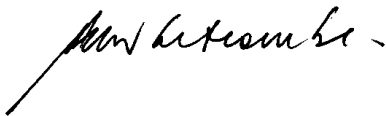
Dear Sir

**Commodities Group Presentation to
Moelis and Company**

Enclosed is a company presentation to Moelis & Company.

Please direct any queries on the presentation to Rob Bell on (08) 9321 4111.

Yours faithfully



Harley Whitcombe
Company Secretary

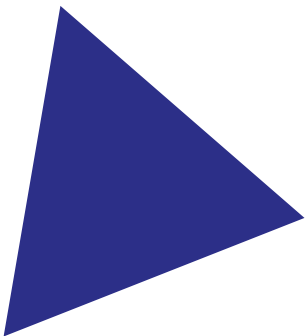
ENC

Commodities Group

(ASX: COZ)

Corporate Overview Presentation July 2014

Presented to Moelis & Company



Disclaimer



This presentation has been produced by Commodities Group Limited (CGL or the Company) only and may contain forward looking statements that are based on management's current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward looking statements. The forward looking statements contained in this presentation include statements about future financial and operating results, possible or assumed future growth opportunities and risks and uncertainties that could affect CGL's business. These statements are not guarantees of future performance, involve certain risks, uncertainties and assumptions that are difficult to predict, and are based upon assumptions as to future events that may not prove accurate. Actual outcomes and results may differ materially from what is expressed in this presentation. In any forward looking statement in which CGL expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurances that the statement or expectation or belief will result or be achieved or accomplished. CGL is not under any duty to update forward looking statements unless required by law.

CGL and its directors, officers, employees, associates, affiliates and agents:

- make no representations or warranties, express or implied, in relation to this presentation or the accuracy, reliability or completeness of any information in it or the performance of CGL;
- accept no responsibility for the accuracy or completeness of this presentation and the information contained in it; and
- make no recommendation as to whether you should participate in the proposed CGL Entitlement Offer.

This presentation is not a prospectus and does not constitute or form part of an offer, invitation or recommendation in respect of securities, or an invitation to buy or apply for securities, nor may it, or any part of it, form the basis of, or be relied on in connection with any contract or commitment whatsoever.

An investment in CGL shares is subject to investment and other known and unknown risks, including those summarised under "Key Risks" in this presentation. CGL does not guarantee any particular rate of return or the performance of CGL, nor does it guarantee the repayment of capital from CGL or any particular tax treatment. Persons should have regard to the risks outlined in this presentation.

Nothing in this presentation should be considered as a solicitation, offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register the new shares, or otherwise permit an Entitlement Offer of new shares, in any jurisdiction outside of Australia and New Zealand. The distribution of this presentation outside Australia and New Zealand may be restricted by law. Persons who come into possession of information in this presentation who are not in Australia or New Zealand should seek independent advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This presentation does not and will not form part of any contract for the acquisition of new shares.

This presentation has been prepared for publication in Australia and may not be released or distributed in the United States. This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any "US person" (as defined in Regulation S under the US Securities Act of 1933). Any securities described in this presentation have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States or to any US Person except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

This presentation does not, and does not purport to, contain all the information prospective investors in CGL would desire or require in reaching an investment decision. It should be read in conjunction with CGL's other continuous disclosure announcements lodged with the ASX which are available at www.asx.com.au. The information in this presentation does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this presentation constitutes investment, legal, tax or other advice. Before making an investment decision you should consider whether it is suitable for you in light of your own investment profile, objectives, financial circumstances and the merits and risks involved and seek appropriate professional advice.

To the maximum extent permitted by law, none of CGL, its directors, officers, employees, associates, affiliates and agents nor any other person accepts any liability for any loss, claim, damages, costs or expenses of whatever nature (whether or not foreseeable), including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it or any errors or omission in it.

This presentation and the information in it is strictly confidential and its distribution is subject to a Confidentiality Agreement.

About



About Commodities Group Limited

Commodities Group Limited (**CGL** or the **Group**) is an ASX listed company (**ASX: COZ**) holding two separate subsidiary companies each operating in emerging, non-conventional commodities areas: aquaculture and environmental services. The companies: Seafarms Group Limited (**Seafarms**); and CO2 Australia (**CO2**) have separate operating boards containing Group Board members as well as executive and non-executive directors with each company reporting separate financial accounts that are consolidated in CGL for ASX reporting.

CGL owned entity CO2 Group Financial Services Pty Ltd (ABN 92 142 542 774) holds an Australian Financial Services Licence (AFSL No. 388086). The following entities are corporate authorised representatives (CAR) of the AFSL licence-holder: Carbon Banc Limited (CAR No. 420080), CGL (CAR No. 420079) and CO2 (CAR No. 420081).

About Seafarms Group Limited

Seafarms – a new Australian agri-food company – operates, builds and invests in sustainable aquaculture production platforms producing high-quality seafood. Seafarms is currently the largest producer of farmed prawns – growing, processing and distributing the well-known Crystal Bay Prawns™ premium brand. The company is one of Australia's largest aquaculture enterprises and is also developing Project Sea Dragon – a large-scale, integrated, land-based prawn aquaculture project in northern Australia designed to produce high-quality, year-round reliable volumes for export markets.

About CO2 Australia Limited

CO2 – operating since 1997 – is the largest provider of dedicated carbon sink plantings in Australasia and manages an estate of more than 26,400 hectares of planted forests and protected remnant native vegetation. The company currently manages landmark commercial carbon offset contracts for Qantas Airways, Eraring Energy, Macquarie Bank, Woodside Energy, INPEX Browse, Origin Energy, Newmont Mining and Wannon Water. CO2's environmental commodities trading business Carbon Banc holds an AFSL authorisation and transacts a range of international and local environmental instruments including ACCUs, NZUs, CERs, as well as energy efficiency and renewable energy certificates. CO2 has more recently also built a strong environmental advisory and management services business servicing the resources and development sectors.

Note: Unless specified otherwise, all financial figures are Australian Dollars AUD\$.



Table of Contents

1. About Commodities Group Limited	5
2. Seafarms Group Limited (<i>Seafarms</i>)	8
3. Aquaculture & Seafood	10
▪ Global	
▪ Australia	
4. Seafarms Operations	21
5. Project Sea Dragon	35
6. Applied Research & Development	54
7. Financial	60



1.

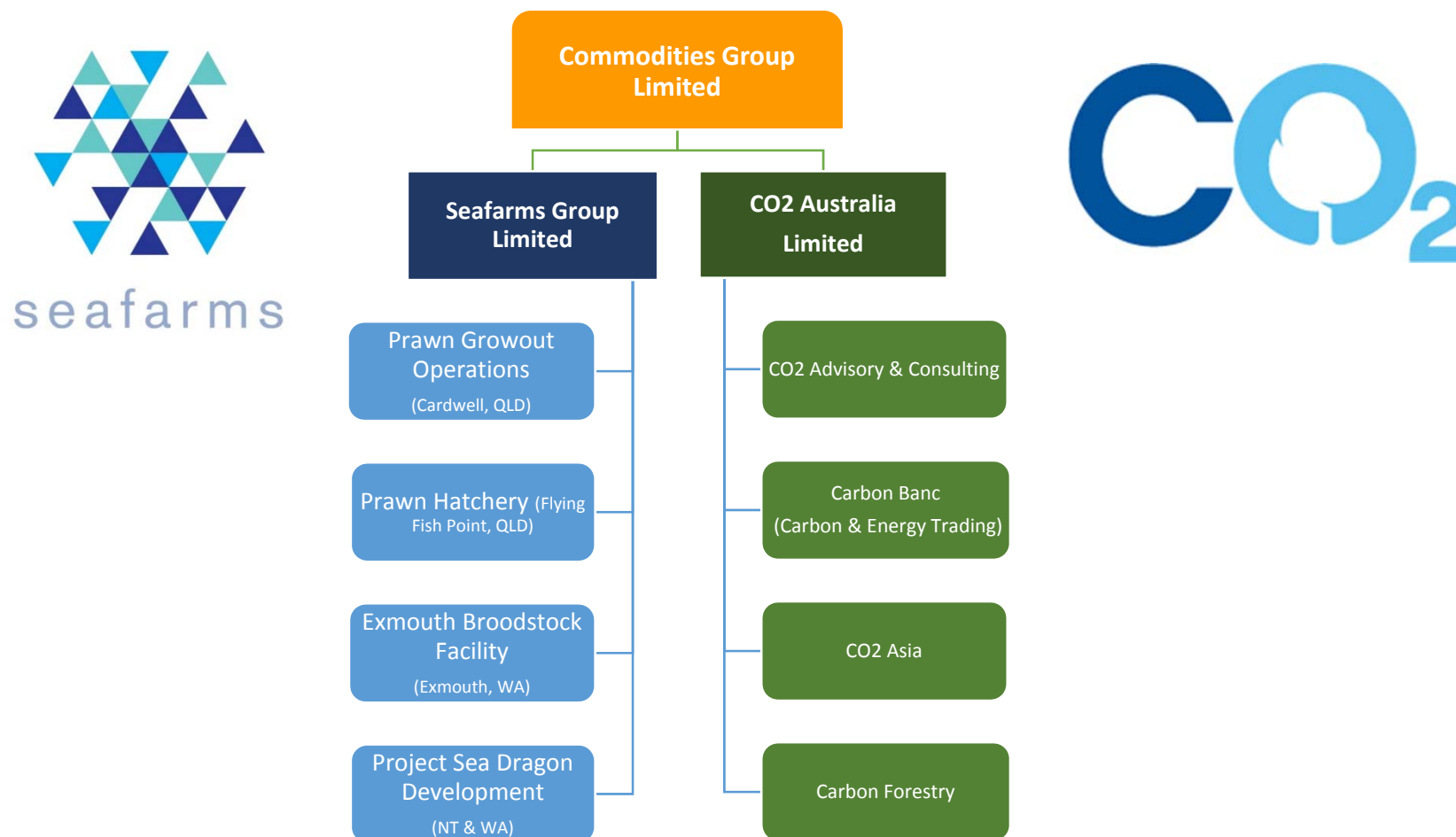
Commodities Group Limited Overview



Commodities Group Limited (ASX: COZ)



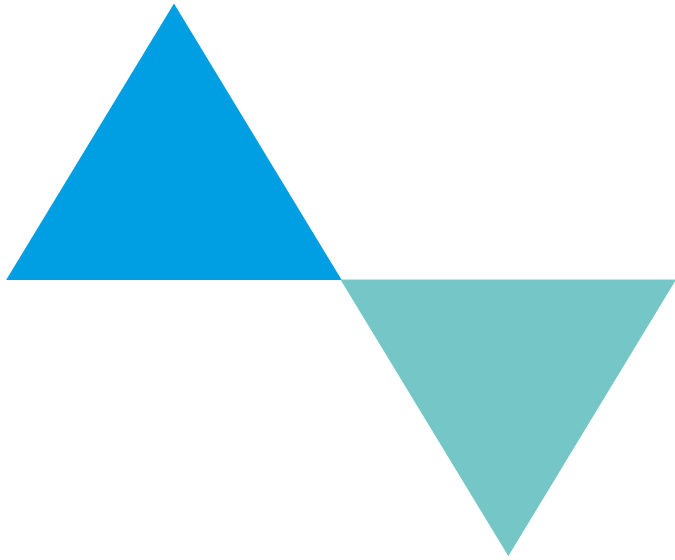
COZ now houses two separate operating businesses:



CO2 Australia

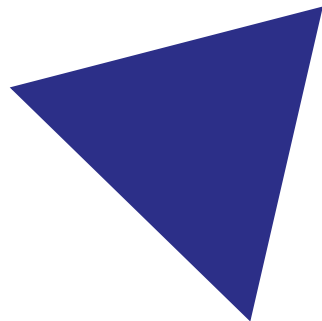


- Carbon Management
- Environmental Offset
 - Australia
 - Asia
- Environmental and Land Management
- Carbon Banc



2.

Seafarms Group Limited (*Seafarms*)

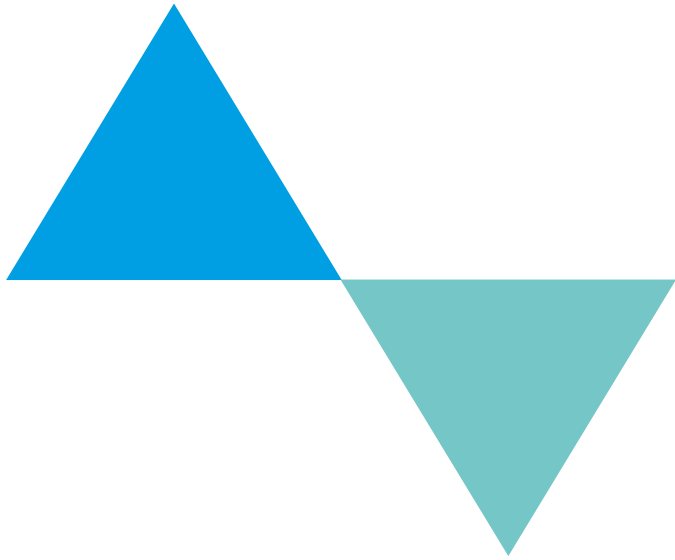


About Seafarms

- Seafarms is a new Australian agri-food company operating, building and investing in sustainable aquaculture production platforms producing high-quality seafood.
- Seafarms is currently one of the largest producer of farmed prawns in Australia growing, processing and distributing the well-known Crystal Bay® Prawns premium brand.
- The company is one of Australia's largest aquaculture enterprises and is also developing Project Sea Dragon. Project Sea Dragon is a large-scale, integrated, land-based prawn aquaculture project in northern Australia designed to produce high-quality, year-round reliable volumes for export markets.
- Seafarms is also constantly looking at new opportunities to invest in new aquaculture assets and enterprises, technology, R&D and related businesses which add strategic or immediate economic value to the Group.

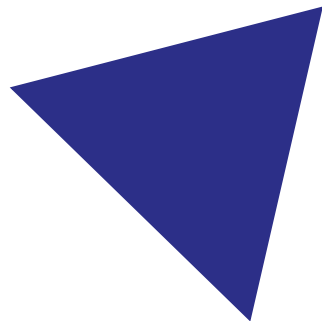


**Commodities
Group
Limited**



3.

Aquaculture & Seafood



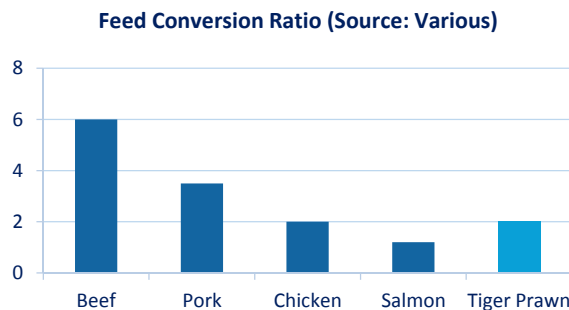
Market Opportunity: Demand for Protein



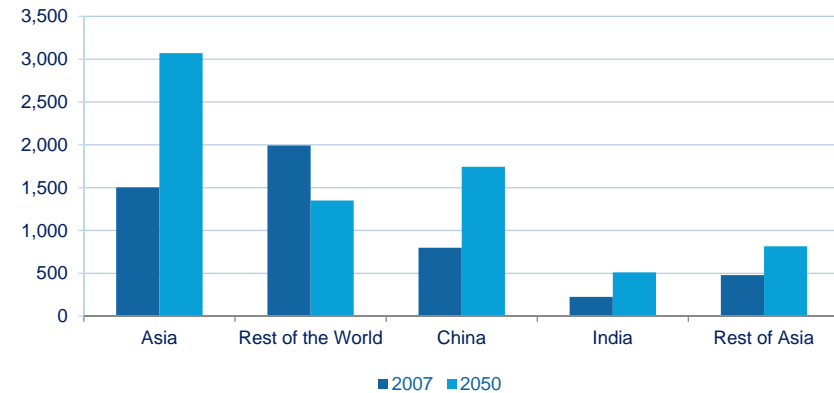
Growing Population and Increasing Wealth Underpinning the Demand for Protein: Global population is expected to increase from 7 billion today to 9 billion by 2050. Over that time the world's total food requirement is expected to increase by 70% in value due to increased aggregate food consumption and an increased share of animal protein due to the expansion of the middle class, particularly in Asia. The middle class is forecast to increase to 4.5 billion people by 2030.

Declining Wild Fish Supply & Political Opposition: Fish supply from wild fisheries has reached its peak and many fisheries are already over-fished. This and the cost competitiveness of aquaculture compared to producing other sources of animal protein means large scale aquaculture will play an increasingly important role in meeting the rising demand for animal protein.

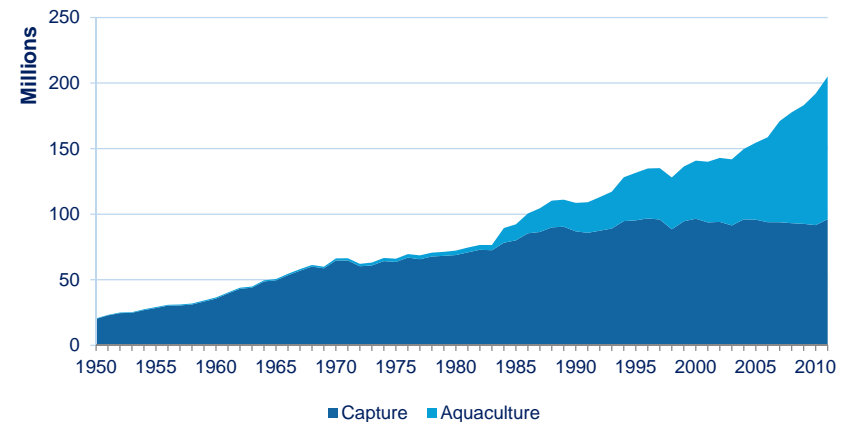
Chinese Shift from Exporter to Importer of Seafood: The growing consumption of seafood in China and the rise in aquaculture production is a leading indicator of the significant role that aquaculture will play in global food production over the next 40 years. China currently accounts for two-thirds of world aquaculture production but has recently switched from being a net seafood exporter to a net importer.



World Agri-food Demand by Region, 2007 and 2050 (US\$b)
(Source: ABARES)



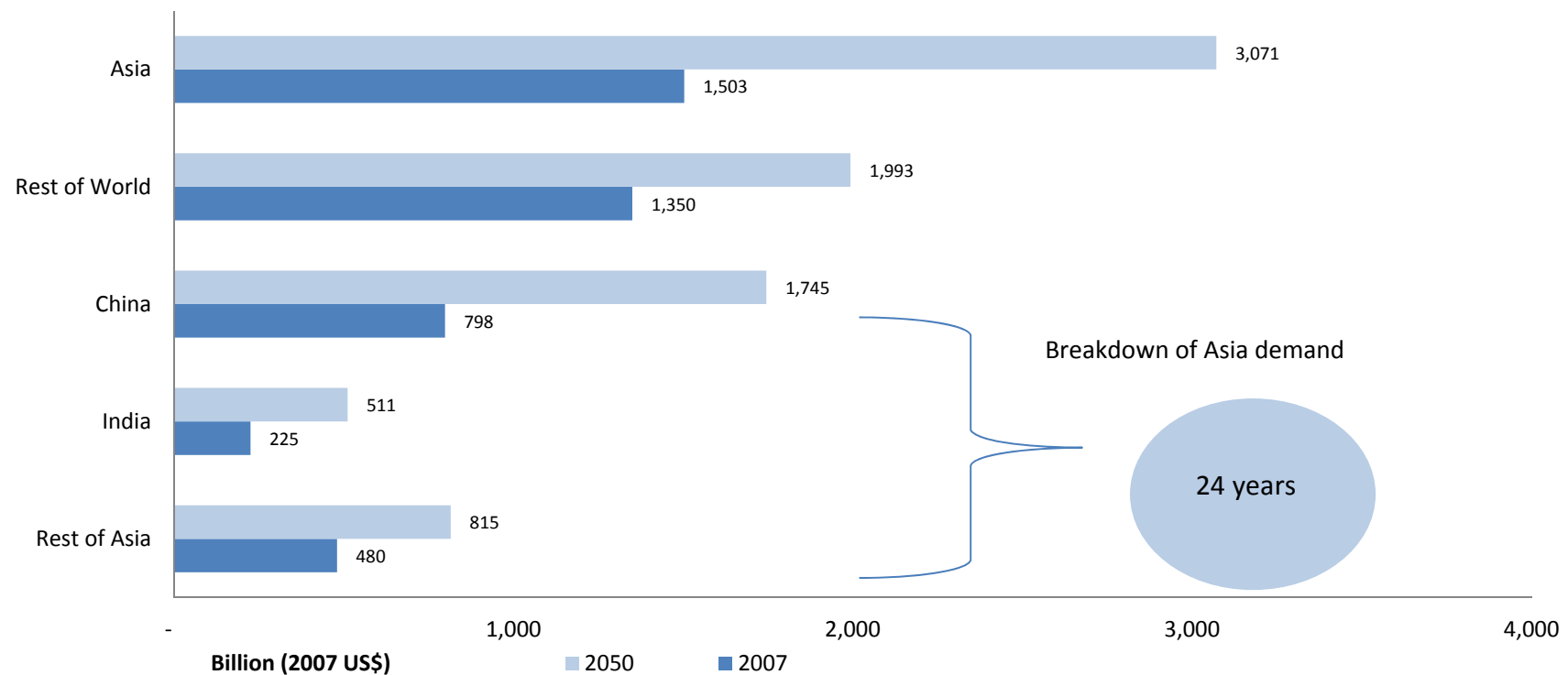
Global Aquaculture and Capture Fisheries Production 1950 - 2011 (million tonnes) (Source: FAO)



Food Demand in Asia



Demand for food in Asian is expected to double by 2050, accounting for 70% of the global increase



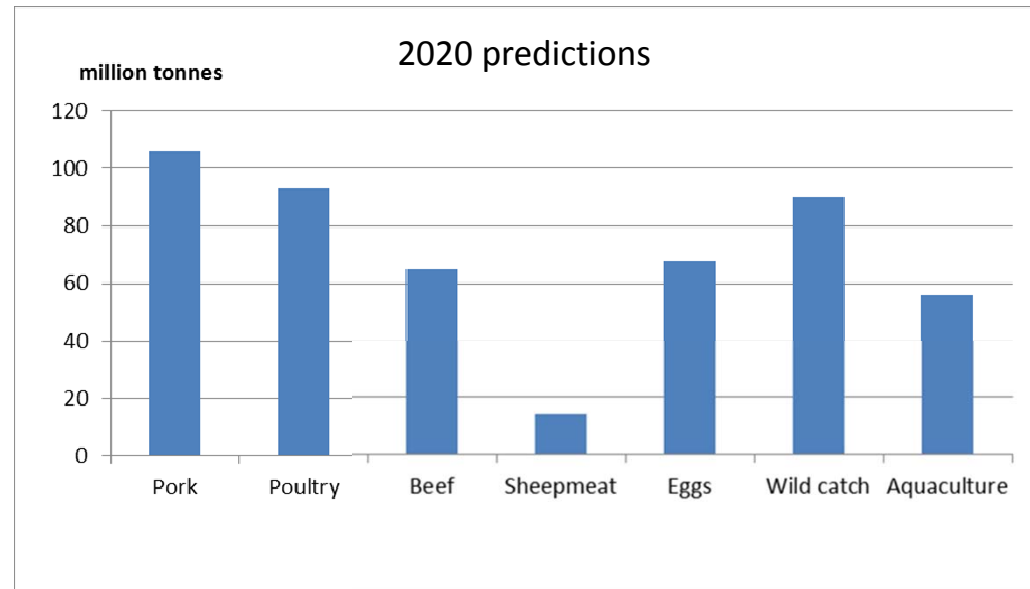
Graph: World agrifood demand by region

Global Protein Production



- Aquaculture:
 - The fastest growing protein sector for last 30 years
 - Will produce more than 80 million tonne per annum by 2020
- Aquaculture is the third largest protein industry behind poultry & pork.
- By 2050 aquacultured 'white fish' will equal chicken
- Chinese aquaculture production already equals poultry.

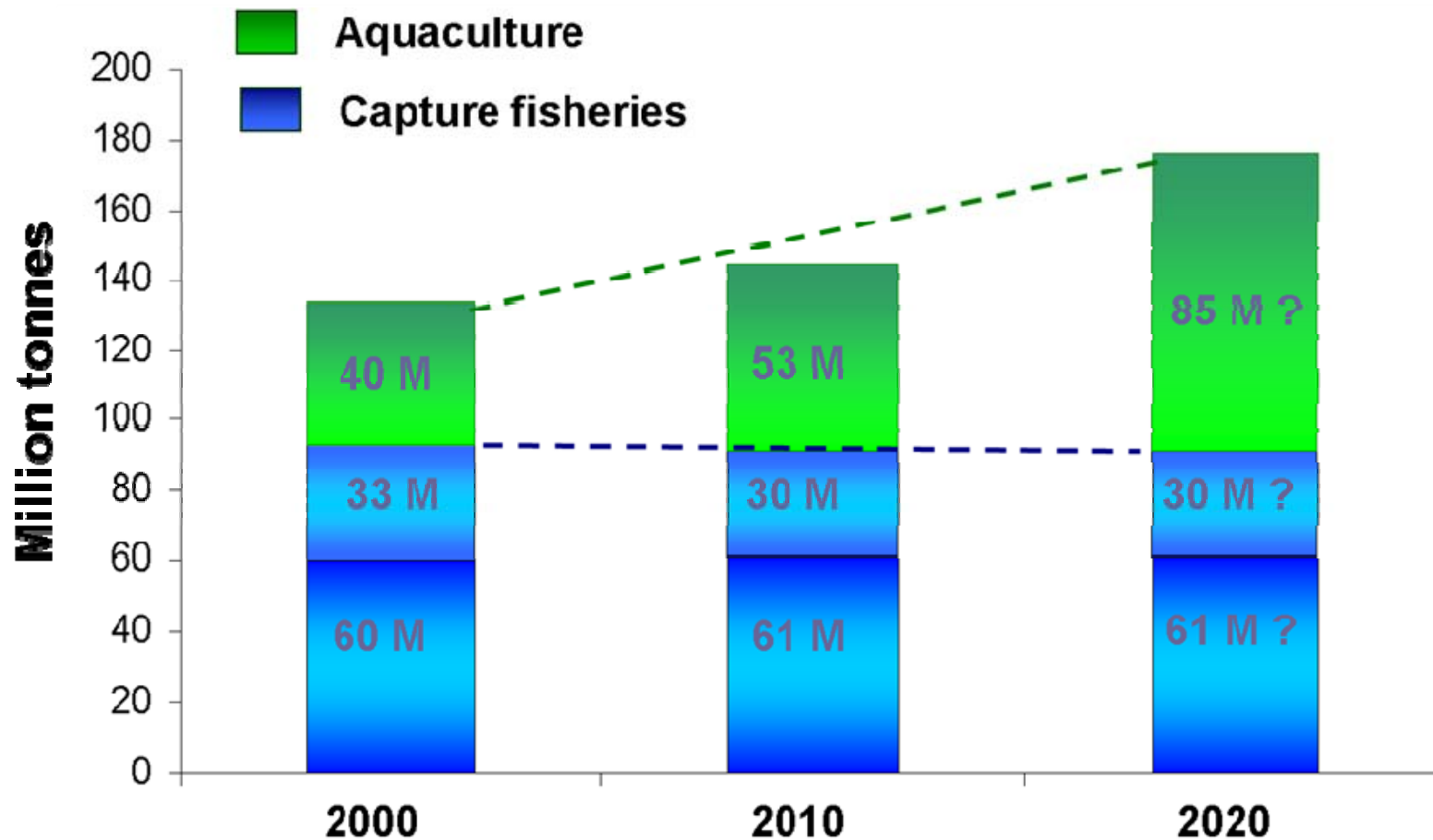
(Source: FAO 2011)



Seafood Industry: Key Features & Drivers



Global Total Seafood Production 2000 – 2010 (& projected to 2020)



Fisheries are the last wild catch source of protein but wild catch supply cannot sustainably increase.

Investment & Opportunities in Aquaculture



- Positive demand function, reducing supply function = supply shortfalls
- New technology platforms – opportunities for growth
- Investment diversification opportunity in agriculture
 - Aquaculture as a sub-asset class of agriculture
- Sector long-term profitability and growth potential
- Industry fragmentation provides opportunity for consolidation
 - Wild catch fishers
 - Seafood processors
 - Other animal protein sectors
- Australia has considerable strategic advantages and some hurdles to overcome.

Aquaculture in Australian Context



Total Australian fisheries including aquaculture production for 2010-11*

- 235,000 tonnes (down 4%)
- gross value \$2.23B (up 2%)
- Total export value \$1.2B (static)
- The value of production for the wild-catch sector
 - 162 762 tonnes (down by 6%)
 - Gross value \$1.31 B (down 2%)
- Tasmania accounted for largest share of gross value of production (27%), then South Australia (19%) and Western Australia (18%)

Aquaculture production¹

- 75,188 tonnes (up 2%) - 32% of total Australian fisheries production
- gross value \$948.1 million (up \$70.5 million) - 43% of the gross value of Australian fisheries production
- Salmonids were Australia's most valuable fisheries species group of 2010-11
 - gross value \$409 M (up 11%)
 - Tasmanian farmed salmon = 98% of all salmonid production

Australian Fisheries Exports 2010-11

- Total – \$1.2 B (unchanged)
- China – \$146 M (but up >300% on FY 09-10)
- Hong Kong – \$539 M (remained our main export market)
- Japan – \$269 M
- Most valuable exports
 - Rock lobster (\$369 million)
 - Pearls (\$241 million)
 - Abalone (\$212 million)
 - Tuna (\$131 million)
 - Prawns (\$77 million)
 - Salmonids (\$51 million) 14% of production

Imports

- Total – \$1.5 billion (25% greater than exports!)
- Key sources of imports:
 - Thailand (canned fish; mostly consisting of canned tuna, and prawns)
 - New Zealand (frozen fish fillets, and fresh and chilled whole fish)

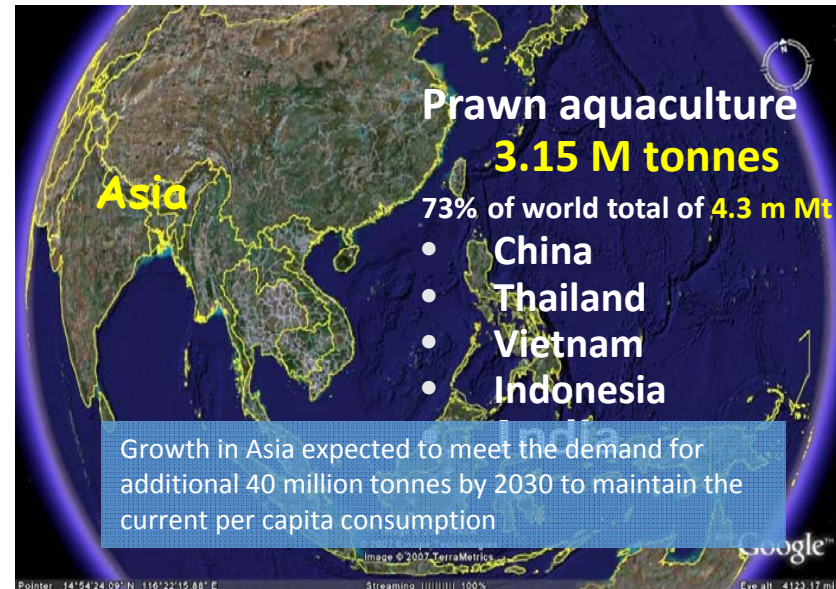
* Source: ABARES 2012

¹ Includes southern bluefin tuna wild catch input to the South Australian tuna farming sector.

Why Prawns/Shrimp?



- Global shrimp production is 7 million tonnes in total with 4.3 million tonnes derived from aquaculture
- Most important internationally traded fishery commodity (in value)
 - accounts for 15% of total value of internationally traded fishery products
 - top selling seafood item in many countries
 - in USA – 33% of all supermarket seafood sales
 - Top seafood consumed on per-capita basis
- Prawn is selling at a price premium, more expensive than most other animal protein.
- Prawns farming is one of the most advanced aquaculture sectors.
- Farmed shrimp constitutes 15% of value of all internationally traded fishery products



Australian total prawn production

- ~26,000 tonnes pa (\$320M) – most wild caught
- 1/100th of China's aquacultured prawn production
- > 70% of Australia's prawn production – wild catch (Qld & NT)
- 20% (5,200 t) from aquaculture (\$75M) – mostly Qld

Project Groper: Queensland Industries Consolidation



Local Acquisitions

- There are three opportunities to acquire another three properties to create 'economies of scale' for SGL:
 - ✓ Consolidation of Hatchery facilities (from 3 to 1)
 - ✓ Consolidation/development of Processing facility
 - ✓ Bulk purchasing of feed (significant costs savings)
 - ✓ Bulk purchasing of power
- Possibility of inclusion of currently foreign-owned fish farming operation.
- Technical and operational hub in Townsville, North Queensland
 - ✓ Port of Townsville: cold storage and export facilities

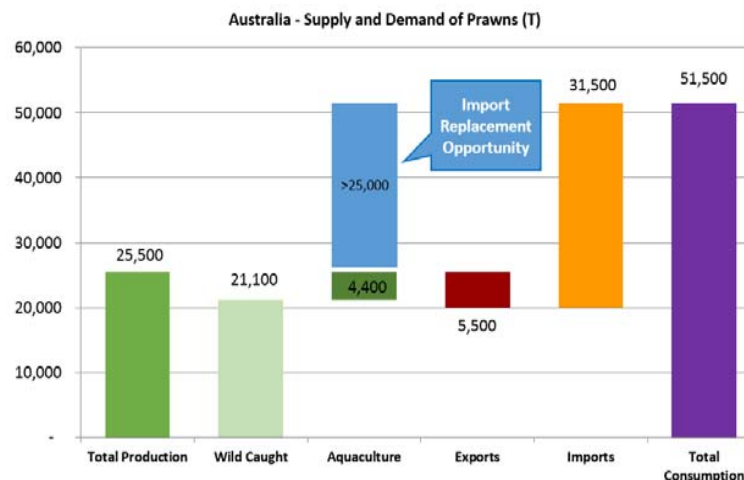


Australia's Prawn Supply & Demand



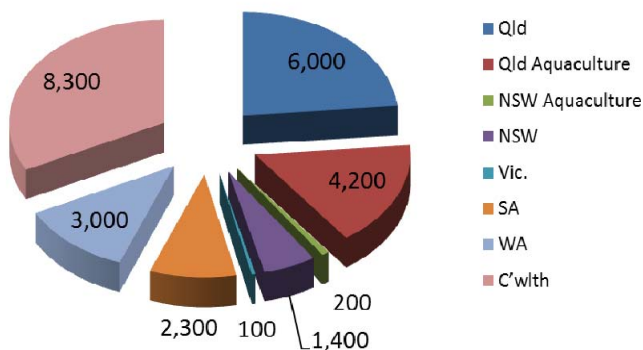
Australian production of 25,500T is mainly wild catch. Queensland and Gulf of Carpentaria are the largest wild fisheries. Aquaculture is concentrated in Queensland.

Seafarms contributes around 25% of Australia's farmed production.



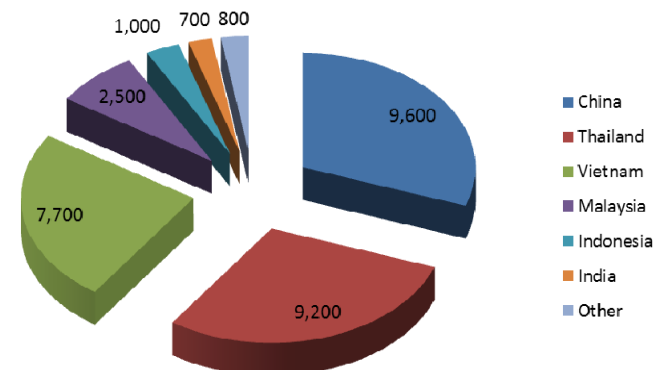
Australia imports 31,500 tonnes, most from China, Thailand and Vietnam. Imports make up >60% of Australian prawn consumption.

Australian Prawn Production - 3 year average 2009/10 to 2011-12 by State (T)



Australia exports 5,500 tonnes, around 20% of production.

Prawn imports to Australia - 5 year average 2006/07 to 2010 /11 (T)



Rapid, Unregulated Expansion in Asia



- Growing concern over levels of contaminants in Asian cultured seafood products.
- But Australian aquaculture production systems must be able to:
 - Deliver high-quality, consistent volumes of produce
 - Operate with minimal environmental impact
 - Use sustainable input feed raw materials
- Future of aquaculture systems lies in:
 - Larger sea sites further from shore
 - Larger, more-sophisticated land-based production

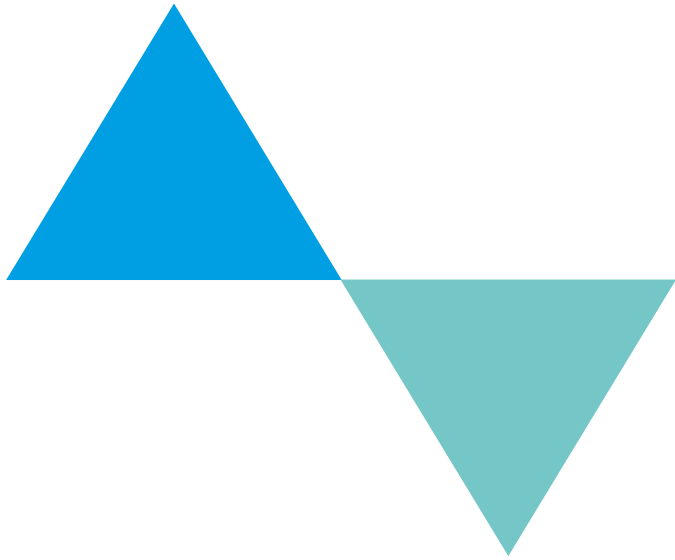


Alarm at antibiotics in fish imports

AUSTRALIAN medical experts have raised the alarm over a rising number of Asian fish imports containing banned antibiotics

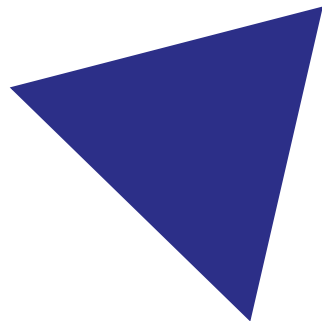


Seafood News Food Safety & Health
ABC News: Shrimp farms 'promote disease'



4.

Seafarms Operations



Current Operations

- Australia's largest farmed prawn producer
 - 1100 tonnes (2014)
 - Increasing to 1600 tonnes (2015)
- Vertically integrated grower, processor and wholesaler
 - Hatchery & breeding centre
 - Growout
 - Processing
 - Distribution
- Produce well know brand – Crystal Bay® Prawns
 - Australia's only 'branded' prawns
 - Fresh/frozen
 - Cooked/green
 - Variety of size classes
 - Year-round supply
 - Domestic markets (principally)
 - Small amount of specialised export



Operations Senior Management



Dallas Donovan – Director Aquaculture Operations

- 20 years international aquaculture management experience including:
 - breeding programs & hatchery operations
 - production; harvesting & processing;
 - global sales & marketing
 - formerly Director Aquaculture National Prawn Company, Saudi Arabia

To be Announced – Production & Technical Manager

- Over 30 years international aquaculture management experience including:
 - large scale shrimp production operations
 - technical breeding and breeding R&D
 - Feeding and feeds improvement
 - Formerly GM Shrimp Production, National Prawn Farm

Existing Manager– Hatchery & Farms

- Combined 50 years experience in prawn aquaculture including:
 - Seafarm Cardwell operations
 - Extensive experience in banana prawn culture and rearing

To be Announced - Aquaculture Technicians

- Seafarms has undertaken international recruitment for 7 technicians
 - a combined experience of over 110 years in aquaculture

Roger Barnard – Consultant

- 15 years in aquaculture – technical experience including:
 - crustacean, mollusc & fish breeding programs
 - hatchery design & operations
 - larval rearing and diets formulation



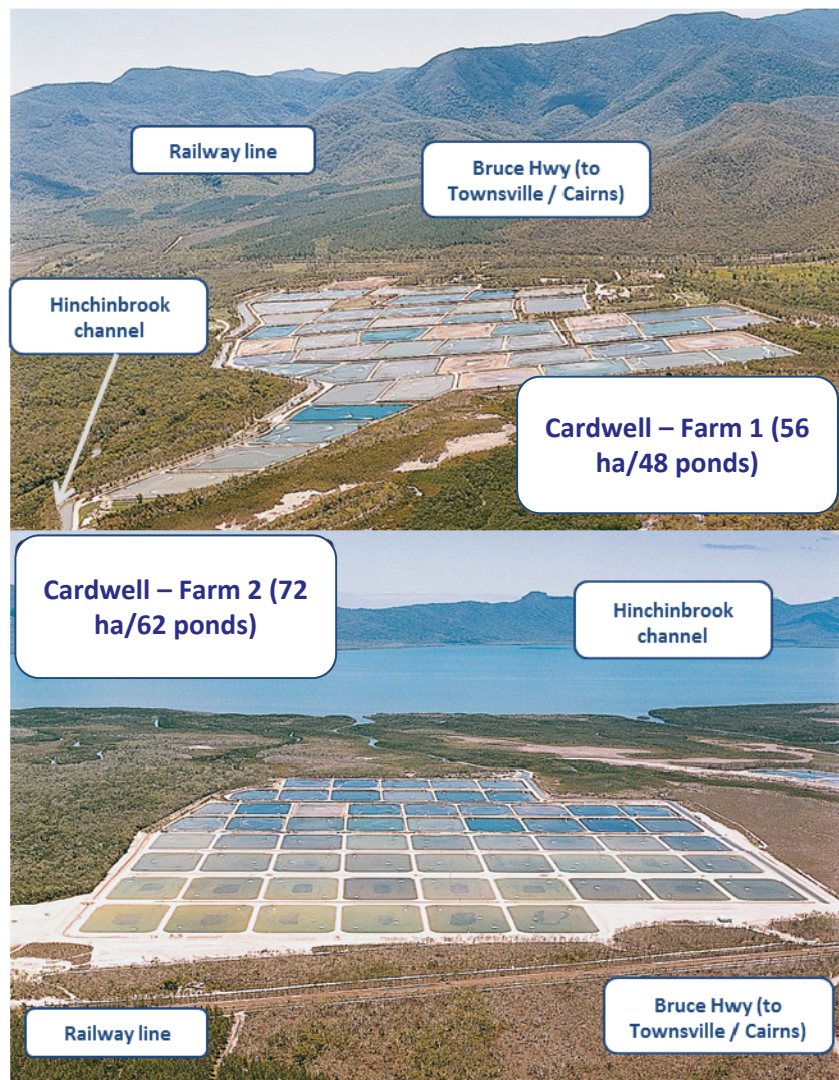
Operations Location

Current locations

- North Queensland
 - Cardwell
 - 2 growout farms
 - Flying Fish Point
 - Hatchery
- Western Australia
 - Exmouth
 - Breeding Centre



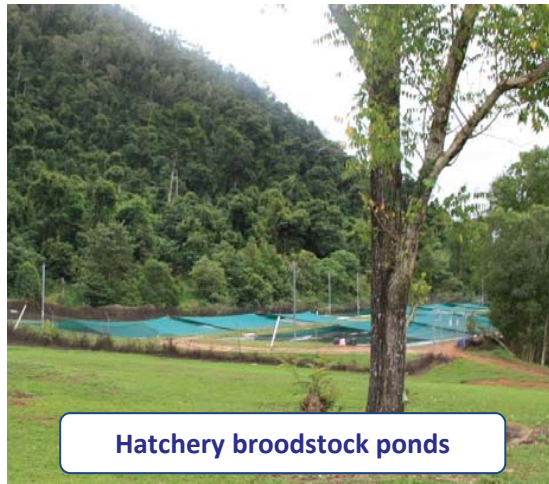
Operations



Hatchery



Hatchery intake settlement ponds



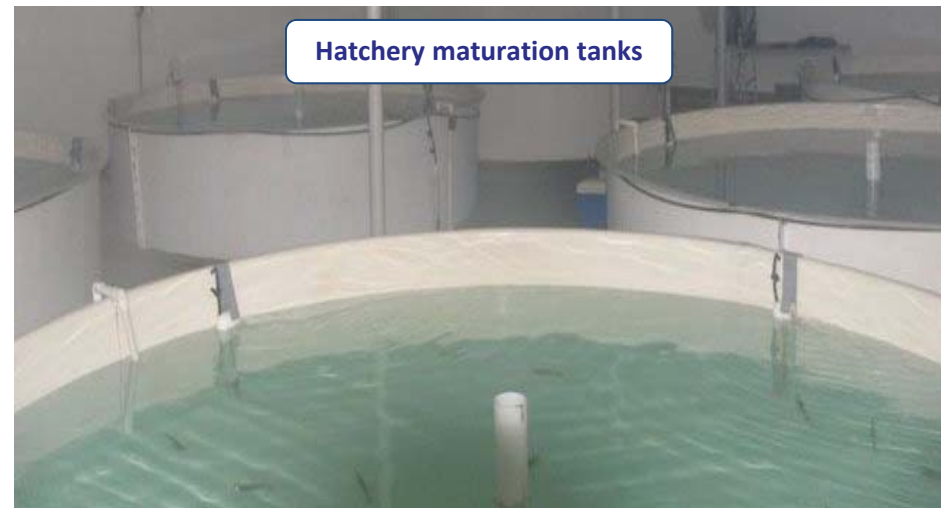
Hatchery broodstock ponds



Post larvae tanks

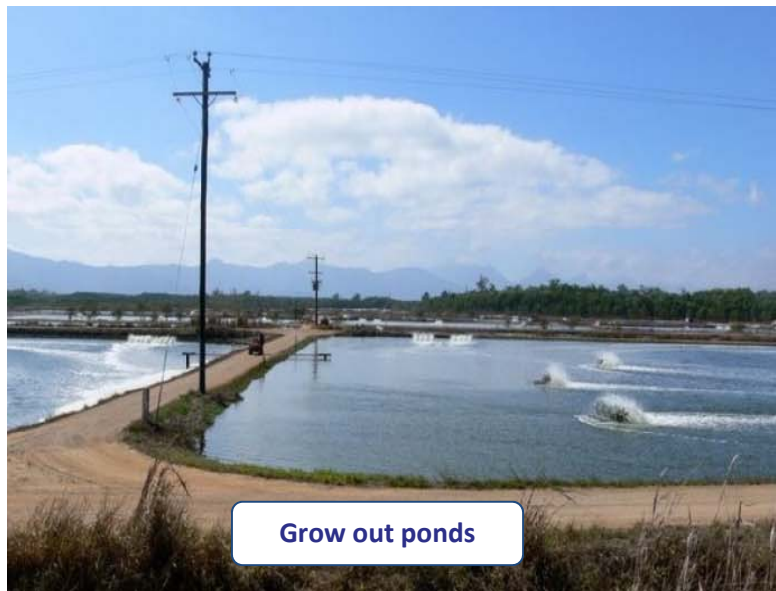


Hatchery algal tanks



Hatchery maturation tanks

Growout



Grow out ponds



Feed trays checked
3 – 5 times a day to ensure
correct feeding levels

- Isolated, clean growing environment (no treatment of intake water required) [mangroves act as natural filtration system]
- Ideal tropical temperatures for year-round growing
- 2 separate (but adjacent) sites to mitigate disease risk [buffer zone between Farm 1 & 2]



Paddlewheel aerators

Processing: Receiving & Sorting



Prawns receival area



Hopper from receival area and first inspection



Input to Singulator from receival area



4-line proprietary Vibrating Singulator

Processing: Cooking



KM automatic cooker



Member of Seafarm Quality Control team inspecting cooked product



Inspection of Sashimi grade product prior to freezing



Raw brine freezer

Processing: Chilling & Pack Out



Processing: Packing & Boxing



Modified Atmosphere Packaging (MAP) machine



Boxing of product for despatch



Marel packaging machine

Sales & Marketing



- Arrangement with Blue Harvest
 - Specialist seafood sales and marketing agency
 - Excellent knowledge of and extensive history with Crystal Bay® Prawns
 - Responsible for Crystal Bay® Prawns sales & marketing in Australia and NZ since July 2011



Sashimi-grade prawns: Branding, Trademarks

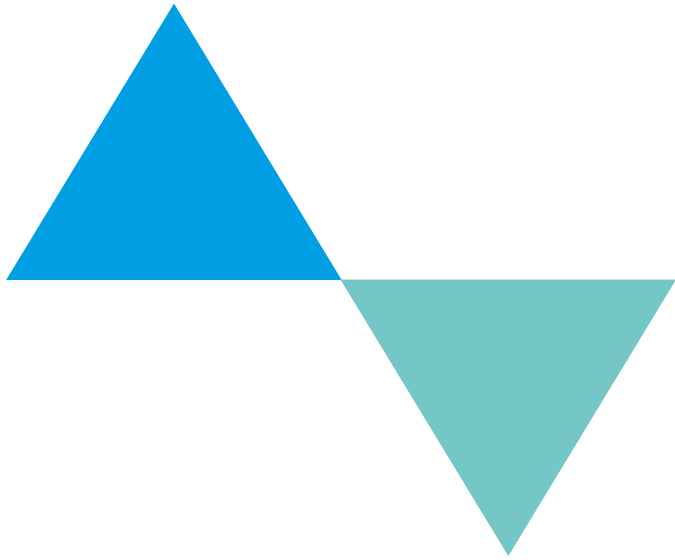
- Sashimi grade prawns have been successfully exported to Japan and other Asian countries
- Competitively priced in the Japanese market
- Strong brand establishment strategy in local and overseas markets, provides opportunity to diversify production range by leveraging Crystal Bay® brand
- In the past, worked closely with limited distributors to identify market preferences to improve brand perception in each export market
- Crystal Bay® trade mark is registered in Australia, Europe, the UK and Japan
- Crystal Prawns® and Suishyon no Ebi are Japanese-registered trade marks



Market Expansion

- Export Development
 - DAFF Export Accreditation expected Q3 2014
 - Export customer list being developed
 - Taiwan, Japan, Europe
- Retail Expansion
 - Move from “behind the glass” to everyday freezer
 - New retail ready packs
 - Import replacement
- Brand Extension
 - Ready to Eat & sauced products

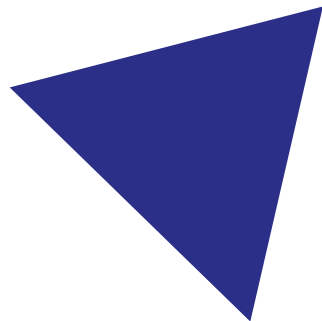




seafarms

5.

Project Sea Dragon



Project Sea Dragon: The Concept



- Large-scale, integrated, land-based aquaculture project in northern Australia producing world class volumes of Black Tiger Prawns – a high quality/high value seafood commodity – for export markets.
- 10,000 hectare growout farm supported by:
 - Feed mill
 - Hatchery & Broodstock facility
 - Power Station
 - Processing Plant
 - Storage/Export facilities
- Development scaled in 3 stages
- ~\$1.45B CAPEX total
- Total production (at Stage 3) of 120,000 tonnes (120M kgs) per annum
 - ~\$1.2 – 1.8B revenue per annum
- Stage 1
 - 1000ha growout + headworks
 - Imported feed
 - Hatchery (Darwin)
 - Processing (on site)
 - ~ \$150M CAPEX
- Forecast financial returns are robust
 - Forecast IRR >40%



Current Animal Protein Production Model



Seafarms' Vision



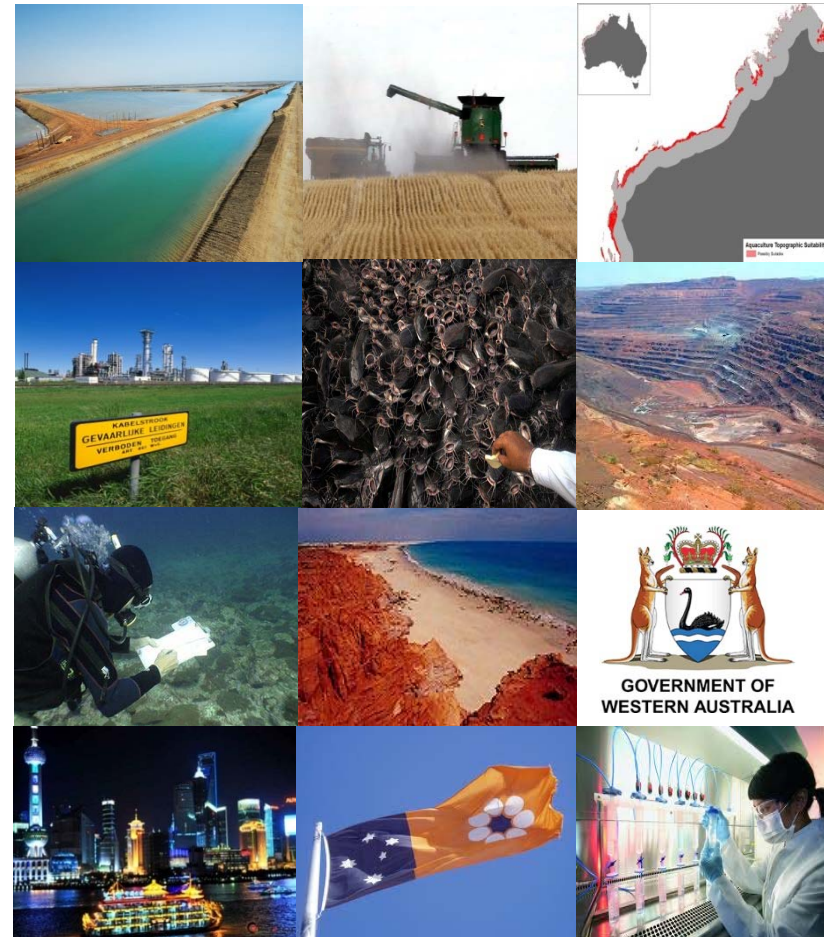
And this is Seafarms' vision for a new northern Australian animal protein production model.



Industrialised' Land-based, Aquatic Protein Production System



- Scale & industrialisation
 - Reduce costs of production and increase reliability of supply
 - Long-term offtake agreements
 - Volume discounts for inputs
- Advanced animal production systems approach
- Leveraging Australian advantages
 - 'World's best practice' industries
 - Australia's natural advantages
 - Infrastructure
 - Technical skills & labour
 - Economic/political stability
 - Access to raw materials (feeds)
 - Biosecurity



Potential financial return of WA land-based aquaculture dwarfs other agricultural land uses



Land System	Production	Production Area (ha per year)	Total Value (\$)	\$ Return per ha
Ord Irrigation Stage 1	General agriculture / horticulture	7,074	\$20.7M	\$2,926
	Sandalwood	6,163	\$92.8M	\$15,058
	Total irrigated farm activity	13,858 (350 GL/yr water alloc.)	\$123.8M	\$8,933
Australian (Qld & NSW) sugarcane farming	Sugar cane (for crushing)	389,000	\$1,380M	\$3,547
Land-based aquaculture (Seafarms projected)	Prawn only production (N WA)	10,000 (350 GL/yr water alloc.)	\$1,080 M	\$108,000
Other land-based aquaculture (Qld)	Prawns (2009-10)	827 (2009-10)	5115 t \$73.0M g/o	\$88,270

Transforming agricultural land & water use –
moving to a higher economic yield and better
use

Source: Department of Agriculture and Food WA
Ord River Irrigation Area Production Trends 2009/2010 Wet Season & 2010 Dry Season

Development Options: NE WA and NT



Development Options: WA and NT



Land Tenure & Acquisition



- Changes in the Pastoral Lands Act (NT) enable security of tenure for Project Sea Dragon subject to:
 - NPU Permit; Environmental Approvals, Aquaculture Licence, Indigenous approval
- Seafarms are currently pursuing opportunities to acquire freehold and leasehold land opportunities in northern Australia..
 - Potential to operate aquaculture AND cattle operations

Infrastructure: Feed Mill

- Feed is the most significant variable cost
- Contribute to low cost producer status through improved Feed Conversion Ratio (FCR) and low operating costs
- Nutritionist to optimise costs
- Most feeds will be delivered in bulk to the farms



Sales, Distribution & Marketing



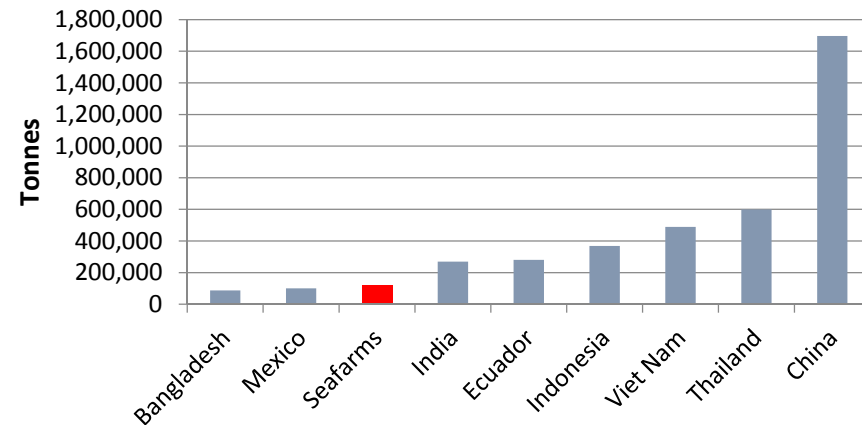
Where do we fit on production volume scale?

- Top 10 global producer
 - Top 7 nationally

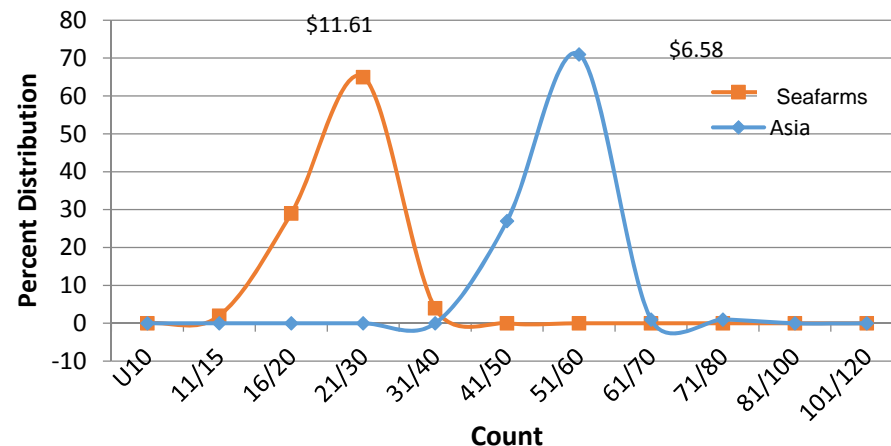
Where do we fit on price curve?

- Producing larger size/count product
 - Command higher price
 - + US\$4-5/kg

Seafarms & Global Farmed Prawn Production 2012



Count Distribution by Mean Size



How We will Operate it & What We Have Learned



Operating Philosophy

- High Volume Low Cost Producer
- Strategies to maximise margin per hectare per day
 - Combine tonnage & size
- Utilise technology to reduce labour costs
- Engagement with local communities
- Strict Biosecurity Measures
- Ongoing Training & development of Human Capital
- Quality Assurance



Knowledge levers

Size matters!!

- Good people matter
- Focus on biosecurity from site selection and the design phase
- Optimise size and volume balance
- Technology is available to minimise costs

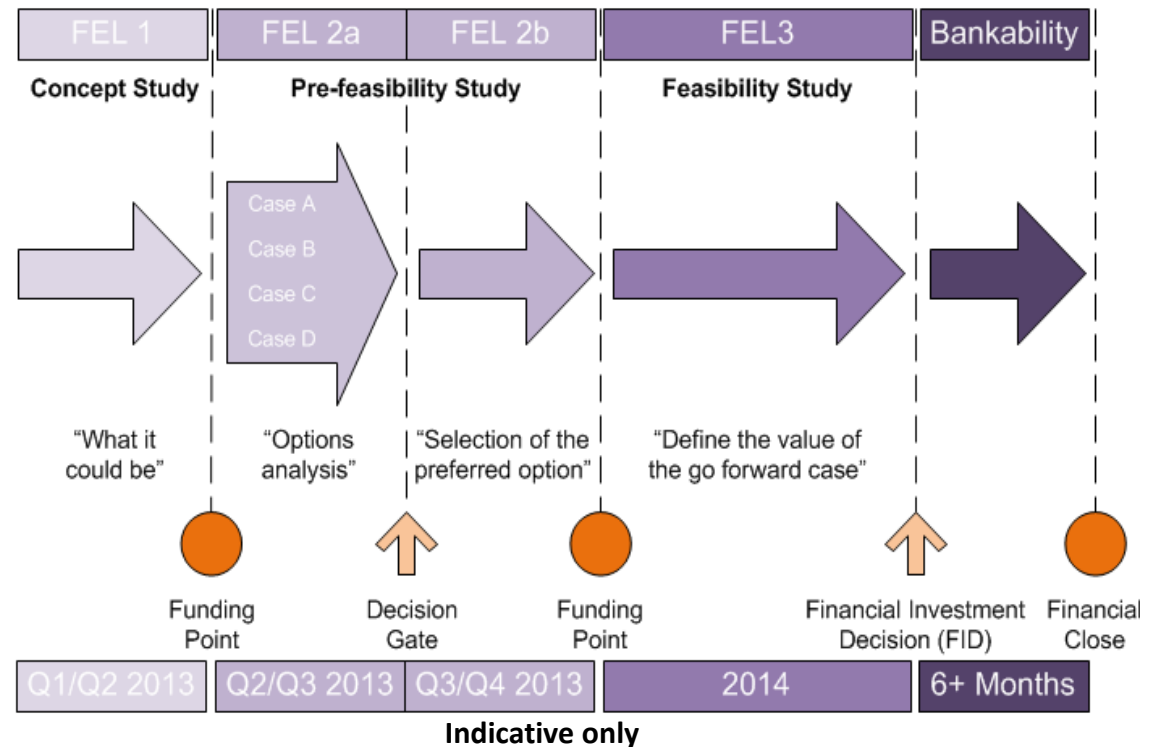
National Prawn Company (KSR)

- Worlds largest fully integrated prawn farming companies
- 4,300 ha of prawn ponds (developing to 8,000 ha)
- 15,000 tonnes pa production
- 100 million juveniles per week hatchery
- 50,000 tonnes pa feed mill
- 150 tonnes per day processing plant
- Proof of concept for Seafarms

Project Delivery Schedule: Front End Loading (FEL) Stages to Financial Close



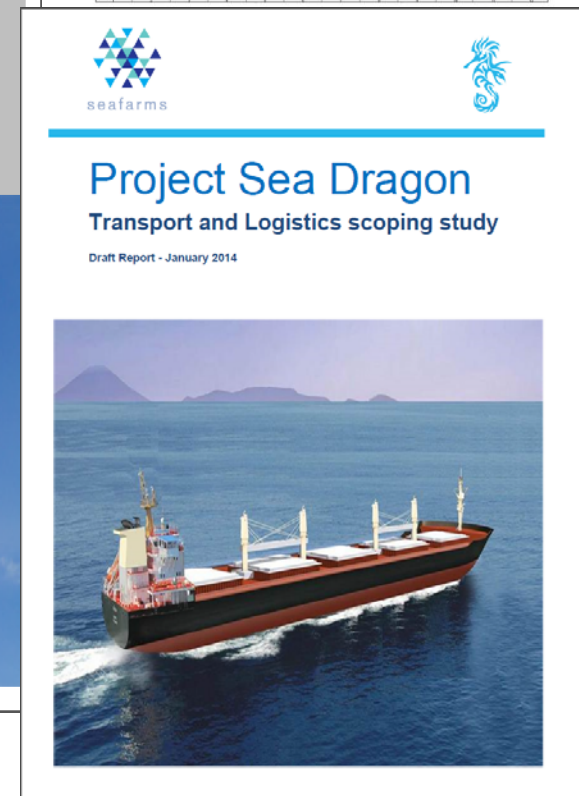
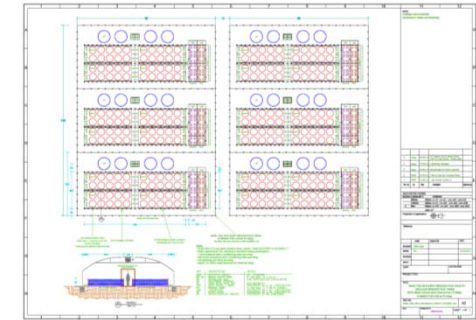
- Big infrastructure project approach
- Front-end Loading (FEL)
 - Feasibility Stages
 - Assessment gateways
 - Risk Assessment stops
- CAPEX estimating
- Scheduling
- SKM Jacobs – assisting



Feasibility & Engineering Reports



Specialist Engineering Reports



FEL3 Expenditure Outline



- Total expected project expenditure end of FEL 2 (Q2 FY2014)
 - ~\$12M (100% funded by Seafarms)
- Expected expenditure end of FEL3 (Financial Close)
 - BFS expenditure \$25M
 - Engineering \$10M
 - EIA \$10M
 - Other costs \$5M
 - completion circa Q4 FY2014 (= FID)



Development CAPEX Overview

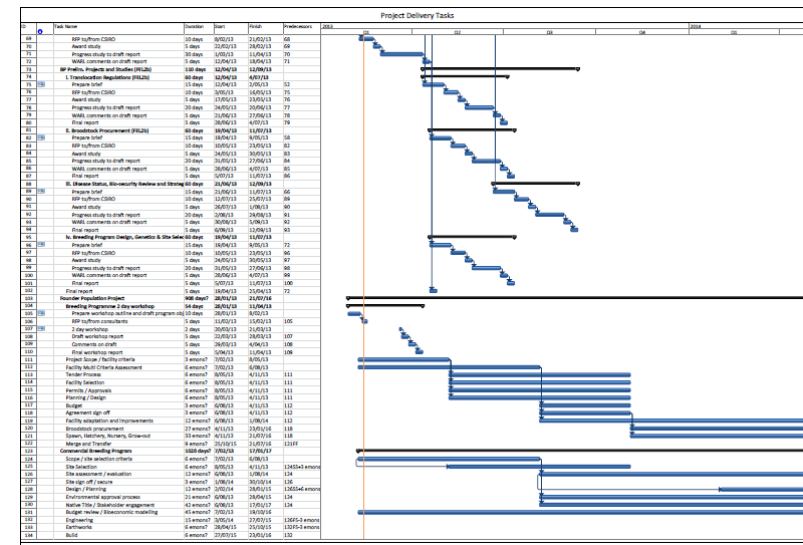
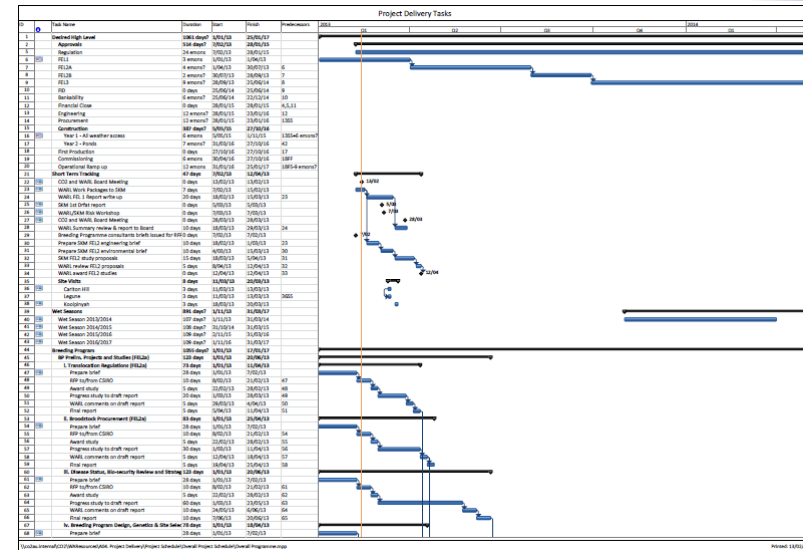


	Phase 1			Phase 2		Phase 3		Totals
Stage (Year)	1	2	3	4	5	6	7	
Production (ha)	1,000	1,000	1,000	1,500	1,500	2,000	2,000	10,000
Production Cumulative (tonnes)	12,000	24,000	36,000	54,000	72,000	96,000	120,000	120,000
CAPEX (\$M)	150	150	150	200	200	300	300	1,450
CPX/ha (\$M)	\$1.5	\$1.5	\$1.5	\$1.33	\$1.33	\$1.5	\$1.5	\$1.45

- Project implementation to be phased 1,2 &3
 - Phase 1 ~3000 ha (CAPEX \$400 - 500M)
 - Stage 1 of Phase1 (minimum start-up) – 1000 ha
 - \$150M CAPEX
 - Annual revenue ~\$130M
 - Phases 2 & 3
 - Different equity structures for each stage are possible
 - Can commence on completion and during operation of previous Stage

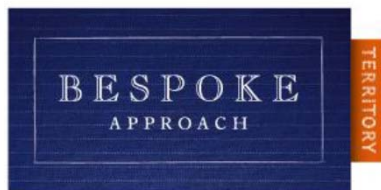
Next Steps

- Acquisition of site
- Completion of FEL 3 studies
 - Detailed reports
 - Site selection
 - Engineering and Constructability
 - Class 4 Cost estimate
 - Operations
 - Markets and Marketing
 - Environmental and planning approvals
 - + BFS financial expenditures
- Partnering arrangements
 - Partner for Bankable Feasibility process (50% of \$25-30M)
 - Parties currently undertaking due diligence
- Commencement of Bankable Feasibility (FEL3)
 - Land tenure negotiations/acquisition
 - Engineering, Environmental Studies
 - Founder population breeding programs



Our feasibility Key Partners

Consultants & Advisors





seafarms

6.

Applied Research & Development

Key Research & Development Areas



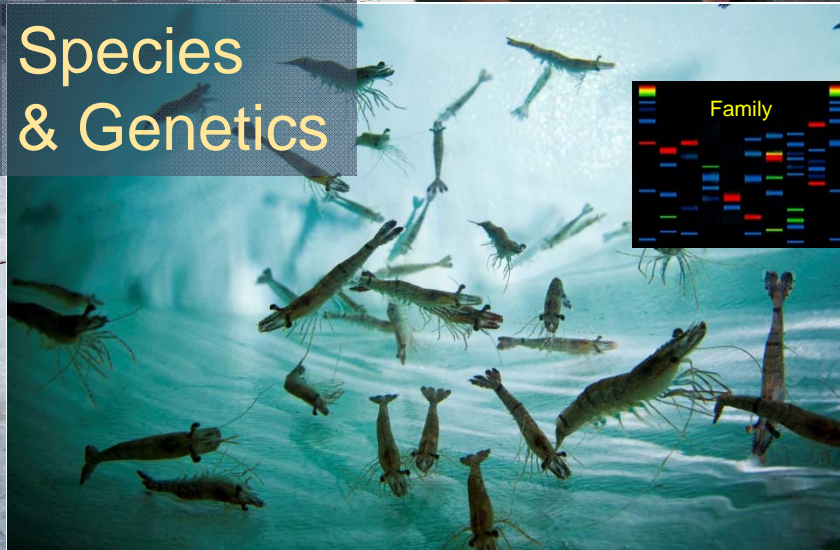
Environment



Health



Animal
Nutrition

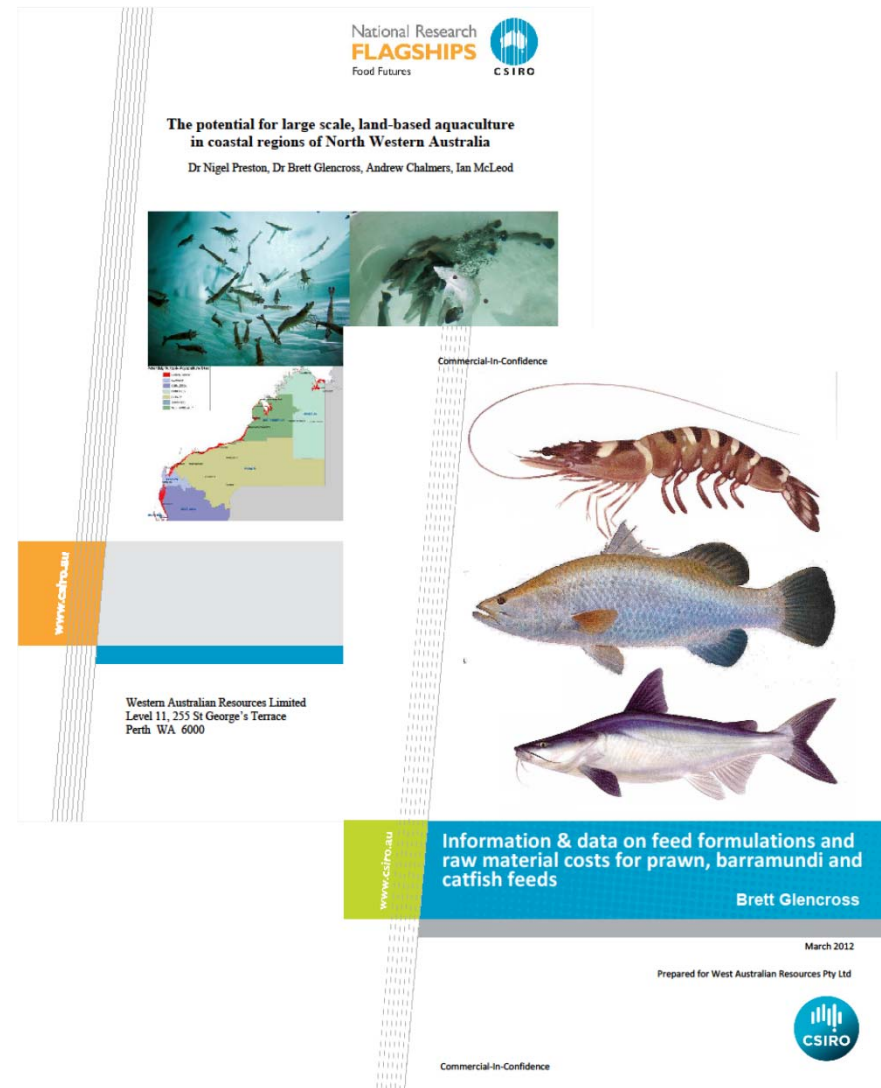


Species
& Genetics

CSIRO: World Class Aquaculture Scientific Research Organisation

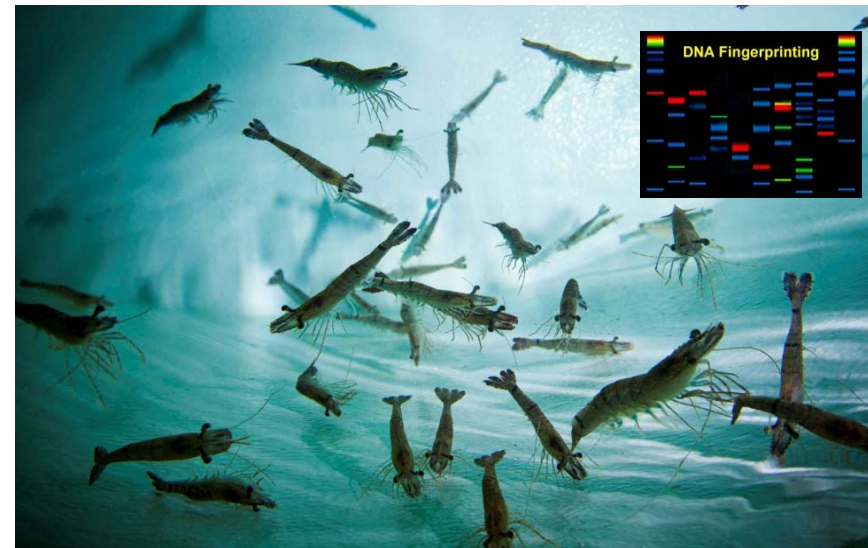


- Forefront of Australian prawn farming R&D.
- Key areas of research –driving a more sustainable and profitable industry future
- CSIRO has undertaken several consultancy projects with Seafarms
- CSIRO & Seafarms
 - RD&C Agreement signed March 2014
 - R&D collaboration in key areas

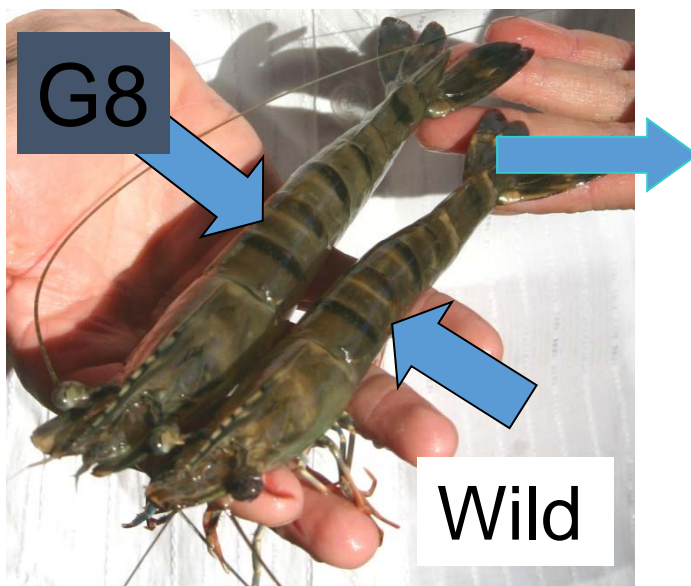


Genetics

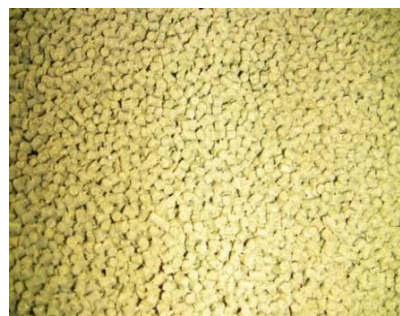
- Select and improve key traits (growth, reproduction, health)
- DNA selection and marking
 - Qld industry using G8 broodstock (8 generations of selection)
 - Major increase in growth rates/weights
 - Applying benefits from multiple genetic backgrounds
- Australian Research Council Industrial Transformation Research Hub (ARC ITRH)
 - The research will be led by James Cook University and involves participants from the University of Sydney, CSIRO, Australian Genome Research Facility (AGRF), Vlaams Instituut voor Biotechnologie (Ghent, Belgium) and Seafarms.
 - \$5M ARC funding matched by industry funding



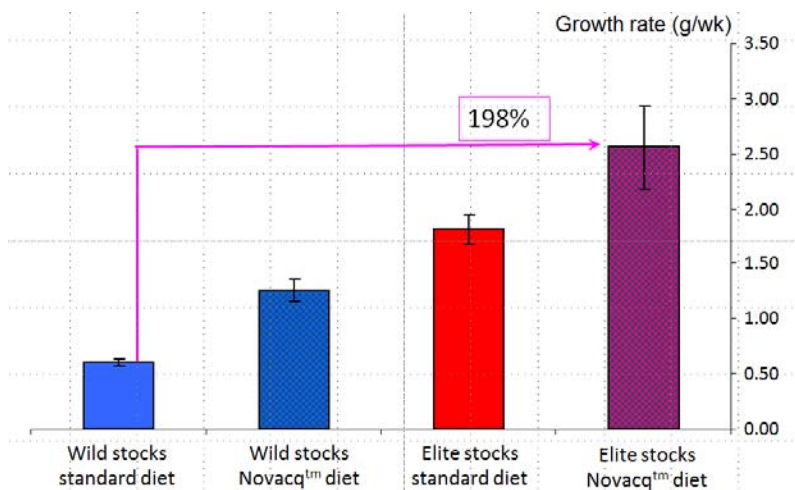
Combined Effect of Genetics and Diet



Standard feed



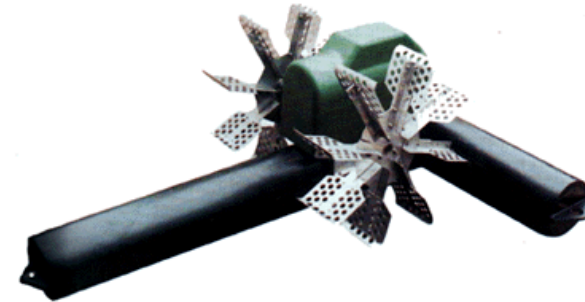
Novacqtm Feed

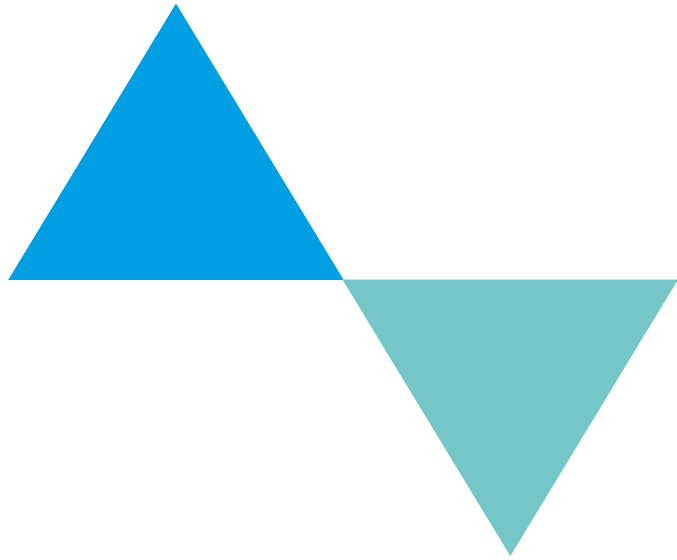


Engineering & Technology



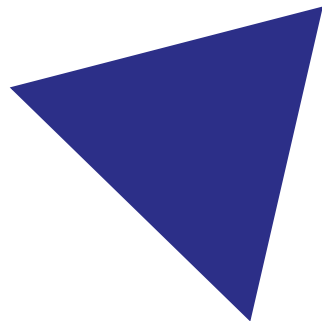
- Feeding
 - Acoustic input auto feeding
- Aeration
 - High efficiency/low energy cost aerators
- Diagnostics
 - Rapid test and diagnostic systems
 - Integrated with water quality testing & management
- Processing
 - Low impact processing
 - Modified atmospheric packages (extended life)
 - 'Live' transport packaging





7.

Seafarms Financial



Financial Model: Key Assumptions



Key Assumptions	
Revenue	\$11.00/kg FOB Fremantle which is equivalent to around \$17.60/kg for HLSO CIF into USA or \$8.01/lb.
Feed Costs	\$1,000 per tonne delivered to site. This is based on a feed formulation prepared by CSIRO, the cost of ingredients and sourced in Perth and the cost of shipping to the location.
Feed Conversion Ratio (FCR)	1.8 times
Energy	The installed power for aeration is 1.5kW per tonne of biomass operating 24 hours during the main grow out period.
Energy Cost	\$110/MWh including capital cost
Processing	\$1.05/kg
Labour Costs	Starting at \$2.00/kg and then dropping to \$0.30/kg with the benefits of scale and industrialisation of processes.
Capital Expenditure	\$125,000 per hectare which comprises the earthworks and the capital costs of the ancillary infrastructure.

Project Sea Dragon: Operating Financials



Seafarms has developed an integrated financial, bio-economic and logistics model to assess the feasibility of the first production module and to undertake various sensitivities. Note, the model shows continuous development of the entire 10,000ha project (not staged) over a 15 year period. All inputs are quoted in Unites States Dollars (USD). The key inputs and outputs of that model are as follows:

Black Tiger Prawn Production

OUTPUT

IRR	44%
Net Present Value @ 12% (\$M)	5,222

INPUT

Producing (hectares)	10,000
Revenue per kg – Year 1	11.00
(HLSO equivalent - \$/lb)	8.01

Production Year	Yr 1	Yr 5	Yr 10	Yr 15
Yield tonnes per ha	5.0	10.4	14.0	14.0
CAPEX per ha (\$)	125,000			
Total CAPEX (real) (\$M)	1,250			

CONTRIBUTION (\$/kg real)

Per kg profit (\$) - real	Yr 1	Yr 5	Yr 10	Yr 15
Production (thousand tonnes)	5	93	140	140
Revenue	11.0	11.0	11.0	11.0
Total costs per kg	7.15	5.48	5.07	4.99
Profit/kg (\$) - real	3.85	5.52	5.93	6.01

Seafarms Group Financial Vision



The model output below incorporates: the ongoing operation of the Seafarms Queensland operations; subsequent expansion in Queensland (through acquisitions) ; and Project Sea Dragon coming into production in 2017.

Production (tonnes)	2015	2016	2017	2018	2020	2025
Groper 1	1,527	1,680	1,848	1,848	1,885	2,081
Groper 2+	965	1,539	2,020	3,850	3,927	4,335
Sea Dragon			5,544	16,858	80,775	137,544

Groper Margin (\$/kg)	2015	2016	2017	2018	2020	2025
EBITDA Margin	4.29	4.71	4.67	4.80	4.80	4.80
EBITDA Margin %	28.7%	31.5%	31.3%	32.2%	32.2%	32.2%

PSD Margin (\$/kg)	2015	2016	2017	2018	2020	2025
EBITDA Margin			(0.14)	0.72	4.45	7.49
EBITDA Margin %			(1.7%)	8.4%	40.8%	54.0%

Outputs (\$m)	2015	2016	2017	2018	2020	2025
Revenue	36.6	46.9	102.6	228.6	966.1	2,002.3
EBITDA	4.5	10.3	17.8	43.3	392.3	1,071.8

Note: Seafarms Queensland commenced operations in January 2014 for September balance date of 9 months reporting. Therefore cost of two crops costs but revenue recognition of one crop.



Key Investment Attributes



Demand for Animal Protein

- Global food demand is forecast to increase by 70% to 2050 due to increases in population and higher demand for animal protein resulting from increasing global affluence

Proven Technology, Leading Science

- Existing production technology, coupled with advanced breeding and feed programs, creating industry best practice productivity and positioning Sea Dragon (**Sea Dragon**) in the bottom quartile of the production cost curve
- Strategic collaboration with CSIRO and leading industry expertise

Expanding from a strong domestic base

- Become the leading Australian shrimp producer through strategic acquisitions (**Groper**), providing a strong foundation from which to expand production targeting international markets.
- Leverage Australia's food safety record to develop markets for 100,000 tonnes of shrimp produced by Sea Dragon using industry best practice technology, genetics and aquaculture management.

World Class Location

- Limited alternative locations suitable for competitive large-scale shrimp production
- Sea Dragon's selected geographic isolated location provides ideal bio-security benefits
- Proximity to Asian target markets and key inputs (grain) provide unparalleled commercial benefits

Committed Investors & Quality Management

- Management with extensive experience across project development, successful large-scale aquaculture production, aquacultural science and business process

Attractive Financial Returns

- Pre-financial close investors projected IRR in excess of 42% and total projected Seafarms IRR (including financial close investors) of 31% over a 15-year production period
- Potential to underpin pre-financial close investment with significant land assets
- Attractive vendor finance arrangements for strategic acquisitions

Contact Us

Seafarms Group Limited

Level 11, 225 St Georges Terrace
Perth WA 6000

PO Box 7312
Cloisters Square WA 6850

T. +61 8 9321 4117

F. +61 8 9321 4411

E. info@seafarms.com.au



seafarms