THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 11 of this Circular apply throughout this Circular including this cover page.

Action required

This Circular is important and should be read with particular attention to the "Action Required by Shareholders" section of this Circular, which sets out the action required by Shareholders with regard to this Circular. If you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all your Oceana Shares, then this Circular should be forwarded to the purchaser to whom, or Broker, CSDP or other agent through whom you disposed of your Oceana Shares.

Oceana does not accept any responsibility and will not be held liable for any failure on the part of the Broker or CSDP of any holder of Dematerialised Shares to notify such Shareholder of this Circular and/or the General Meeting.

OCEANA GROUP

OCEANA GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1939/001730/06)
JSE share code: OCE
NSX share code: OCG
ISIN: ZAE000025284
("Oceana" or "the Company")

CIRCULAR TO OCEANA ORDINARY SHAREHOLDERS

regarding:

- **the approval of the implementation of the Transaction as a Category 1 transaction in terms of the Listings Requirements;**
- **the approval of the proposed conversion of all of the Oceana Ordinary Shares from par value Oceana Ordinary Shares of 0.1 cents each to no par value Oceana Ordinary Shares;**
- **the approval of the proposed increase in the Company's authorised but unissued share capital by a further 1,200,000,000 Oceana Ordinary Shares for the purposes of the Rights Offer as well as consequential changes to the Company's Memorandum of Incorporation to reflect the proposed changes in the share capital of the Company;**
- **the approval of the ability to issue new Oceana Ordinary Shares as are required for and pursuant to the implementation of the proposed Rights Offer to Shareholders which new Ordinary Shares may have voting power equal to or in excess of 30% of the existing voting power of the entire issued Ordinary Share capital of the Company immediately prior to such issue;**
- **granting the Company the entitlement to exclude the holders of Treasury Shares from participating in the Rights Offer; and**
- **placing the authorised but unissued share capital of the Company under the control of the Directors solely for the purposes of implementing the Rights Offer;**

and incorporating

- **a notice of general meeting; and**
- **a form of proxy to be used by Certificated Shareholders and "Own-name" Dematerialised Shareholders only.**

15 June 2015

This Circular is available in English only. Copies may be obtained during normal business hours from the offices of Oceana, The Standard Bank of South Africa Limited and the Transfer Secretaries, whose addresses are set out in the "Corporate information and advisers" section of this Circular.

The Circular will be available from Monday, 15 June 2015 until Wednesday, 15 July 2015 both days inclusive. The Circular will also be available in electronic form on the Company's website www.oceana.co.za, from Monday, 15 June 2015.

Financial advisers, South African debt advisers and transaction sponsor to Oceana

Standard Bank

South African legal counsel to Oceana

WEBBER WENTZEL
in alliance with > Linklaters

United States legal counsel to Oceana

K&L GATES

KEAN MILLER LLP
ATTORNEYS AT LAW
People First

haynesboone

United States financial advisers to Oceana

Antarctica | Advisors

Independent reporting accountant and registered auditors to Oceana

Deloitte.

Transfer secretaries to Oceana

Computershare

CERTAIN FORWARD-LOOKING STATEMENTS

This Circular contains statements about Oceana that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the fishing industry; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels and the expected Rand to USD rate of exchange, and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Oceana cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Oceana operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions, all of which estimates and assumptions, although Oceana may consider them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to Oceana, or not currently considered material), could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

Oceana Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors may emerge from time to time that could cause the business of Oceana or other matters to which such forward-looking statements relate, not to develop as expected and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Oceana has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

CORPORATE INFORMATION AND ADVISERS

Registered office and business address of Oceana

9th Floor, Oceana House
25 Jan Smuts Street
Foreshore
Cape Town, 8001
South Africa
(PO Box 7206, Roggebaai, 8012)
Place of incorporation: South Africa
Date of incorporation: 30 July 1918

Financial advisers, South African debt advisers and transaction sponsor to Oceana

The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
30 Baker Street
Rosebank, 2196
South Africa
(PO Box 61344, Marshalltown, 2107)

South African legal counsel to Oceana

Webber Wentzel
10 Fricker Road
Illovo Boulevard
Illovo, 2196
South Africa
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Independent reporting accountant and registered auditors to Oceana

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1st Floor, The Square
Cape Quarter
27 Somerset Road
Green Point
Cape Town, 8005
South Africa
(PO Box 578, Cape Town, 8000)

Transfer secretaries of Oceana

Computershare Investor Services
Proprietary Limited
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Company secretary of Oceana

JC Marais
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25 Jan Smuts Street
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Cape Town, 8001
South Africa
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United States financial advisers to Oceana

Antarctica Advisors LLC
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(1200 Brickell Avenue, Suite 1950, Miami, FL 33131)

United States legal counsel to Oceana

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Washington, DC
20006-1600

Haynes and Boone LLP
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Suite 700,
Dallas,
Texas
TX 75219
United States of America

Namibian sponsoring broker

Old Mutual Investment Services (Namibia) Proprietary Limited
Mutual Tower
Independence Avenue
Windhoek
Namibia
(PO Box 25549, Windhoek, Namibia)

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The definitions and interpretations commencing on page 11 of this Circular, apply, *mutatis mutandis* to this executive summary.

Unless otherwise noted, all USD figures referred to in this Circular have been converted at the USD/ZAR exchange rate of 12.00, being the hedged forward exchange rate at which the Transaction is expected to be completed.

Introduction

Oceana has been seeking opportunities to expand its operations and diversify its risk profile and believes that the Transaction is an ideal opportunity for Oceana to diversify its fishing rights and licences, fish species, geography and currency exposure.

It was announced on Tuesday, 19 May 2015 that, subject to the fulfilment of the Transaction Conditions, Oceana had reached agreement with Daybrook:

- to acquire, directly or indirectly, the entire issued share capital of Daybrook Fisheries, a wholly-owned subsidiary of Daybrook, for a purchase consideration of USD 382.3 million (approximately ZAR 4,588 million); and
- upon exercise of the Put Option by Westbank Partners, Daybrook Fisheries or its nominee will purchase the Westbank Shares for an agreed price of USD 31.5 million (ZAR 378 million) and potentially an additional premium of USD 15.0 million (ZAR 180 million) depending on the manner in which the Put Option is exercised, as well as any agreed dividends that are due and owing to Westbank Partners by Westbank.

The Purchase Consideration will be funded via a combination of existing Oceana Cash, the Equity Bridge Facility and US Funding. Upon exercise of the Put Option, Daybrook Fisheries will fund the purchase of the Westbank Shares, together with the Put Premium if applicable and any agreed dividends, via a combination of existing Daybrook Fisheries cash and undrawn US Funding facilities if required.

Oceana has taken, and will continue to take, steps to manage foreign exchange risks in connection with the Transaction up to the time of completion of the Transaction.

The Transaction is deemed a Category 1 transaction for Oceana in terms of the Listings Requirements of the JSE.

Transaction Structure

The Daybrook Group's fishing assets are housed in a company separate from its processing plant assets.

The processing plant assets, including land, processing plant and equipment, as well as sales and administrative functions, reside within Daybrook Fisheries, whilst the fishing assets, including the fishing vessel and spotter plane assets, reside within Westbank.

It is contemplated that the Transaction will be implemented in three phases, namely:

- the restructure of the Daybrook Group through a number of intra-group transactions whereby 75% of Westbank will be transferred to the Remaining Stockholders, among other things, and the Remaining Stockholders will contribute such interest to Westbank Partners;
- the merger of DPI Merger Sub, a wholly-owned subsidiary of Daybrook, with Daybrook Fisheries, in terms of which Daybrook shall acquire a 100% interest in the surviving entity, Daybrook Fisheries; and
- the acquisition by OGL Holdco, a wholly-owned US subsidiary of Oceana, of all the shares in Daybrook Investors not already owned by the Daybrook Group, as well as the remaining shares in Daybrook not already held by Daybrook Investors, with the result that Daybrook Fisheries will become a wholly-owned subsidiary of OGL Holdco and OGL Holdco will own a 25% indirect interest in Westbank (through Daybrook Fisheries).

The sale of 75% of Westbank to the Remaining Stockholders is necessitated by the requirements of the fishery endorsement issued in terms of the AFA, which requires qualifying fishing vessels in the US to be owned and controlled by US citizens, among other things. The sale to the Remaining Stockholders ensures that Westbank meets these requirements.

After the completion of the Transaction, OGL Holdco will hold a 100% indirect ownership in Daybrook Fisheries and an effective 25% indirect ownership in Westbank through its ownership in Daybrook Fisheries.

Shareholders are referred to Annexure 1 for a diagram setting out the before and after position of the Transaction.

Overview of Daybrook Fisheries

The Daybrook Fisheries Business was established in 1971 and has progressed into a vertically-integrated fishing company engaged in harvesting and processing of Gulf Menhaden into high-value fishmeal, a high protein feed ingredient used as inputs into pet food, pork production, and fish oil, which is sold for aquaculture feeds and for further refining into dietary supplements.

Strategically located in Empire, Louisiana, about 60 miles south of New Orleans, near the mouth of the Mississippi River, Daybrook Fisheries is in close proximity to the abundant and well managed Gulf Menhaden resource and is the second largest processor of Menhaden in the US.

Gulf Menhaden are small oily fish and migratory plankton surface-feeders that swim in large schools during the fishing season, which extends from mid-April to November. Daybrook Fisheries is responsible for 35% to 40% of the annual Gulf Menhaden catch.

Daybrook Fisheries sold 76,862 tons of fishmeal and fish oil equivalent in 2014 to realise revenue of USD 124 million and normalised revenue of USD 114 million. Normalised revenue has been calculated by adjusting for the revenue impact of approximately USD 10 million resulting from a closing inventory normalisation adjustment. Daybrook Fisheries' 31 December 2014 year-end reported EBITDA was USD 43 million and normalised EBITDA was USD 48 million[1].

Daybrook Fisheries currently owns and operates eleven refrigerated tender vessels and ten Cessna aircraft used to assist vessel captains locate schools of Gulf Menhaden. Each vessel carries two twelve metre fishing boats which catch Gulf Menhaden through the "purse seining" method.

Sales are made to leading domestic and international companies manufacturing animal and aquamarine nutritional products as well as selected distributors servicing these markets. Daybrook Fisheries' proximity to the Port of New Orleans, as well as other Gulf of Mexico ports, enables the competitive export of its products to China, other Asian countries, Europe, and Latin America.

In addition to its operation in Empire, Daybrook Fisheries has corporate and executive offices in Morristown, New Jersey and New Orleans, Louisiana and storage facilities in Memphis, Tennessee and Avondale, Louisiana.

Rationale

Oceana's strategy includes the expansion of its operations internationally in order to diversify its fishing rights and licenses, fish species, operational geography and currency exposure.

As the largest fishing group in South Africa, Oceana believes that limited opportunities exist in South Africa to meaningfully further increase its scale and diversify its fishing rights given the finite fishing resource available. Oceana has also evaluated opportunities in the rest of Africa and has not been able to identify assets of sufficient scale, that also provide required risk adjusted returns, to deliver on its expansion strategy.

The Transaction represents a rare opportunity for Oceana to undertake a truly transformative transaction and acquire access to a sustainable and well managed fishing resource in the US.

Based on Oceana's and a World Bank analysis, the increase in the demand for fishmeal is primarily attributable to the aquaculture industry which is one of the fastest growing food production segments in the world[2]. Demand for fishmeal and fish oil is increasing due to rising global protein requirements, a growing demand from aquaculture production and input into pet food and pork production. Oceana expects this trend to continue in the longer term.

The Transaction will add significant fishmeal and fish oil exposure and diversification to Oceana's product, geographic and currency exposure whilst creating a significantly larger group with multi-country exposure. It will also provide Oceana with a platform to explore further initiatives globally.

1. Calculated in terms of IFRS
2. World Bank report: Fishing to 2030

Oceana has identified cost savings included in the historical annual financial statements of at least USD 3.0 million (ZAR 32 million based on an average exchange rate of USD/ZAR 10.55 for the 12 month period ended 30 September 2014) that can be extracted from Daybrook Fisheries within two years of the Transaction, by the incorporation into the broader Oceana Group.

Transaction Funding

The Purchase Consideration is expected to be USD 382.3 million (ZAR 4,588 million), and estimated total transaction costs (including financing and related costs) of USD 15.7 million (approximately ZAR 188,4 million).

As a consequence of exchange rate differences, these costs differ from the costs used for purposes of the summarised *pro forma* financial information set out in paragraph 6 and Annexure 2 of this Circular.

Oceana intends to fund the Purchase Consideration plus an estimated USD 15.7 million (approximately ZAR 188,4 million) of transaction costs via a combination of:

(i) Up to ZAR 2,400 million from (i) Oceana Cash, and (ii) to the extent that the Oceana Cash on hand available to fund the Purchase Consideration is less than ZAR 2,400 million, on or about the date that the Transaction will be implemented, the utilisation of a tranche of Term Funding to fund any shortfall to the extent required;

(ii) Up to USD 142 million (ZAR 1,704 million) of debt raised from US Funding; and

(iii) ZAR 1,200 million from the Equity Bridge Facility.

The optimal transaction funding allocation between Oceana Cash and US Funding will be determined before the Closing Date.

The US Funding has been fully underwritten by BMO and the Equity Bridge Facility and Term Funding has been fully underwritten by Standard Bank.

The Term Funding is in the process of syndication as contemplated in a commitment letter issued by Standard Bank to the Company. The syndication serves two primary purposes. First, it derisks Standard Bank's underwriting commitment through syndicating the term loans to the wider ZAR lender market. Second, it permits Oceana to include its relationship banks in the syndication, giving them a share of the term debt, and utilising potential pricing benefits in the wider ZAR lender market. Shareholders will be advised, by way of a SENS announcement, in the event or as soon as the syndication has been finalised.

Subject to the resolutions set out in the Notice of General Meeting being approved at the General Meeting (and registered by the CIPC to the extent required) and the drawdown of the Equity Bridge Facility, the Company will automatically undertake the Rights Offer in order to repay the Equity Bridge Facility made available to the Company for purposes of funding the Transaction, which Oceana intends to commence after the Transaction has been completed.

The Company will determine, in consultation with the Funders, the detailed terms of the Rights Offer including the amount of financing to be raised, the offer price per Share and number of Shares to be issued, taking into consideration market conditions at such time.

The details of the Rights Offer, once finalised, will be released on SENS. A Rights Offer circular containing full details of the Rights Offer will be posted to Oceana Shareholders in due course.

Each of Lucky Star Limited and the Oceana Group Share Trust, the holders of Treasury Shares, have agreed in writing to the decision of the Company to exclude the holders of Treasury Shares from participating in the Rights Offer, subject to the Oceana Shareholders adopting Special resolution number 5 set out in the Notice of General Meeting, thereby entitling the Company to exclude the holders of Treasury Shares from participating in the Rights Offer.

The capital structure of the Transaction was carefully considered as to its effect on the cash flow position of Oceana. Assuming a continuance of the recent performance of Oceana and Daybrook Fisheries, the Transaction is not expected to restrict Oceana's ability to maintain its dividend policy and fund future growth.

The above information has not been reviewed or reported on by the Reporting Accountants and Auditors of Oceana.

Purpose of Circular

The purpose of this Circular and accompanying Notice of General Meeting is to provide Oceana Shareholders with information regarding the Transaction, and to convene the General Meeting to be held at 14:00 on Wednesday, 15 July 2015, on the 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001, at which the Oceana Shareholders will be asked to consider and, if deemed fit, approve inter-conditional resolutions for *inter alia*:

- the implementation of the Transaction as a Category 1 transaction;
- the increase in number of the authorised Oceana Ordinary Shares for the purposes of the Rights Offer, and the concomitant conversion of the authorised Oceana Ordinary Shares from par to no par value together with the amendments to the Memorandum of Incorporation to effect such changes;
- the placing of sufficient unissued Oceana Ordinary Shares under the control of the Directors solely for the purposes of implementing the Rights Offer; and
- granting the Company the entitlement to exclude the holders of Treasury Shares from participating in the Rights Offer.

Tiger Brands, which owns 50 098 877 ordinary shares in Oceana or 43.8% of the Oceana Shares eligible to vote at the General Meeting, and Brimstone, which owns 20 096 755 Oceana Shares or 17.6% of the Oceana Shares eligible to vote at the General Meeting, have both signed irrevocable letters of support to vote in favour of all necessary special and ordinary resolutions pursuant to the Transaction and the Rights Offer. In addition, Tiger Brands and Brimstone have each signed irrevocable letters of commitment to follow their rights under the Rights Offer.

Directors' recommendation

The Board unanimously recommends that Oceana Shareholders vote in favour of all the resolutions necessary to approve and implement the Transaction and those matters pertaining to the implementation of the Rights Offer, as set out in the Notice of General Meeting.

All Directors with an interest in Oceana intend to vote in favour of all resolutions necessary to approve and implement the Transaction and those matters pertaining to the implementation of the Rights Offer.

ACTION REQUIRED BY SHAREHOLDERS

The definitions commencing on on page 11 of this Circular apply *mutatis mutandis* to this section.

Please take careful note of the following provisions regarding the action required by Shareholders.

(1) If you have disposed of all of your Shares, this Circular should be handed to the purchaser of such Shares or to the Broker, CSDP, banker or other agent through which such disposal was effected.

(2) If you are in any doubt as to what action you should take, please consult your Broker, CSDP, accountant, banker, legal adviser or other professional adviser immediately.

(3) You should carefully read through this Circular and decide how you wish to vote on the resolutions to be proposed at the General Meeting.

General Meeting

Oceana Shareholders are invited and encouraged to attend the General Meeting, convened in terms of the Notice of General Meeting (which is attached to and forms part of, this Circular), to be held on the 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001 at 14:00 on Wednesday, 15 July 2015 in order to consider, and if deemed fit, approve the resolutions set out in the Notice of General Meeting forming part of this Circular.

ACTION REQUIRED TO BE TAKEN BY SHAREHOLDERS

1. **IF YOU HAVE DEMATERIALISED YOUR OCEANA SHARES OTHER THAN WITH “OWN NAME” REGISTRATION:**

1.1 **Voting at the General Meeting**

1.1.1 Your CSDP or Broker should contact you to ascertain how you wish to cast your vote (or abstain from casting your vote) at the General Meeting and thereafter to cast your vote (or abstain from casting your vote) in accordance with your instructions.

1.1.2 If you have not been contacted by your CSDP or Broker, it is advisable for you to contact your CSDP or Broker and furnish it with your voting instructions.

1.1.3 If your CSDP or Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or Broker.

1.1.4 You must **not** complete the attached form of proxy.

1.2 **Attendance and representation at the General Meeting**

In accordance with the mandate between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to attend the General Meeting and your CSDP or Broker will issue the necessary Letter of Representation to you.

2. **IF YOU HAVE NOT DEMATERIALISED YOUR OCEANA SHARES OR HAVE DEMATERIALISED YOUR OCEANA SHARES WITH “OWN NAME” REGISTRATION:**

2.1 **Voting and attendance at the General Meeting**

2.1.1 You may attend the General Meeting in person and may vote (or abstain from voting) at the General Meeting.

2.1.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy in accordance with the instructions it contains and returning it to the Transfer Secretaries to be received preferably by no later than 14:00 on Monday, 13 July 2015.

2.1.3 If you wish to Dematerialise your Oceana Shares, please contact your CSDP or Broker.

3. **IF YOU HAVE DISPOSED OF ALL OF YOUR OCEANA SHARES, THIS CIRCULAR SHOULD BE HANDED TO THE PURCHASER OF SUCH OCEANA SHARES OR THE BROKER, CSDP OR OTHER AGENT WHICH DISPOSED OF YOUR OCEANA SHARES FOR YOU.**

   Oceana does not accept responsibility and will not be held liable for any failure on the part of the CSDP of a Dematerialised Shareholder to notify such Shareholders of the General Meeting or any business to be conducted thereat.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 11 of this Circular apply, *mutatis mutandis,* to the following salient dates and times:

	2015
Posting Record Date to be eligible to receive the Circular	Friday, 5 June
Posting of Circular to Oceana Shareholders	Monday, 15 June
Last Day to Trade to participate in and vote at the General Meeting	Friday, 26 June
Voting Record Date to participate in and vote at the General Meeting	Friday, 3 July
Last day to lodge forms of proxy in respect of the General Meeting by 14:00	Monday, 13 July
General Meeting to be held at 14:00 on the 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001	Wednesday, 15 July
Results of General Meeting released on SENS	Wednesday, 15 July
Results of General Meeting published in the South African and the Namibian press	Thursday, 16 July

Notes:

1. The above dates and times are subject to amendment. Any such material amendment will be released on SENS and published in the South African and Namibian press.
2. All times quoted in the Circular are local times in South Africa on a 24-hour basis, unless specified otherwise.
3. No orders to dematerialise or rematerialise Shares will be processed from the Business Day following the Last Day to Trade up to and including the Voting Record Date, but such orders will again be processed from the first Business Day after the Voting Record Date.
4. The certificated register will be closed between the Last Day to Trade and the Voting Record Date.
5. If the General Meeting is adjourned or postponed, forms of proxy submitted for the General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting unless the contrary is stated on such form of proxy.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, references to the singular shall include the plural and vice versa; words denoting one gender include the other; words and expressions denoting natural persons include legal persons and associations of persons; and the following words and expressions have the meanings assigned to them below:

"**AFA**"	American Fisheries Act of 1998;
"**BMO**"	BMO Harris Bank N.A.;
"**Board**" or **"Oceana Board**"	the board of directors of Oceana as at the Last Practicable Date and whose names are listed on page 26 of this Circular;
"**Brimstone**"	Brimstone Investment Corporation Limited (registration number 1995/010442/06), a public company incorporated in the Republic of South Africa and listed on the JSE;
"**Broker**"	any person registered as a broking member in equities in terms of the rules of the JSE in accordance with the provisions of the Financial Markets Act;
"**Business Day**"	any day other than a Saturday, Sunday or official public holiday in South Africa;
"**Certificated Shareholders**"	Oceana Shareholders who hold Certificated Shares;
"**Certificated Shares**"	Oceana Shares which are not dematerialised in terms of the requirements of Strate, title to which is represented by a share certificate or other Documents of Title;
"**CIPC**"	the Companies and Intellectual Property Commission, established in terms of the Companies Act;
"**Circular**"	this document, dated Monday, 15 June 2015, including the annexures, Notice of General Meeting and form of proxy contained herein;
"**Closing Consideration**"	an amount of USD 382.3 million minus the following amounts: (i) the Escrow Amount (ii) USD 4.9 million to be paid in settlement of shareholder loans to the Daybrook Group; (iii) USD 6.7 million to be paid in consideration for the non-competition and consulting undertakings of management; (iv) USD 13.0 million to be paid to Daybrook Resources Corporation in consideration for the assignment of key trademarks; (v) any transaction expenses of Daybrook Fisheries above USD 1.0 million; and (vi) the amount of NAV Adjustment, if any; plus an amount based on the 2007 book value of Daybrook Fisheries for purposes of calculating the phantom stock of Daybrook Fisheries;
"**Closing Date**"	5 US business days after the last of the Conditions has been satisfied or waived (other than those Conditions that can only be satisfied on the Closing Date);
"**Closing Merger Consideration**"	an amount equal to (i) the Closing Consideration, minus (ii) the Closing Stock Consideration;
"**Closing Stock Consideration**"	an amount equal to (A) the number of Daybrook Fisheries shares held by Daybrook immediately prior to the Effective Date, multiplied by (B)(i) the Closing Consideration, divided by (ii) the total outstanding shares of Daybrook Fisheries (including accelerated phantom stock) prior to the Closing Date and the transactions in the Exchange Agreement;
"**Companies Act**"	the South African Companies Act No. 71 of 2008, as amended or superseded from time to time;

"**Conditions**"	the conditions (including closing conditions) to which the Transaction is subject, a summary of which is set out in paragraph 4.7 of this Circular and which are fully set out in the Merger Agreement;
"**CSDP**"	Central Securities Depository Participant, a participant as defined in section 1 of the Financial Markets Act;
"**Daybrook**"	Daybrook Holdings, Inc. (DE File Number: 2210097), a corporation organized under the laws of Delaware and majority owned by Daybrook Investors;
"**Daybrook Fisheries**"	Daybrook Fisheries, Inc. (Louisiana Charter Number: 29309360D) a corporation organized under the laws of Louisiana and majority owned by Daybrook;
"**Daybrook Group**"	collectively Daybrook, Daybrook Fisheries, Westbank and Daybrook Investors;
"**Daybrook Investors**"	Daybrook Investors, Inc. (DE File Number: 2220536), a corporation organized under the laws of Delaware, which is currently owned by DRCH, Klondike Resources Inc., Estate of Eric O. Hallman and Marital Trust No.2 u/w/o Thomas A. Kenny;
"**DE**" or "**Delaware**"	the state of Delaware in the US;
"**Dematerialised Shareholders**"	Oceana Shareholders who hold Dematerialised Shares;
"**Dematerialised Shares**"	Shares which have been dematerialised and ownership of which is recorded electronically in a sub-register of Oceana Shareholders administered by a CSDP, which sub-register forms part of the Company's Register;
"**Documents of Title**"	share certificates or any other documents of title to Certificated Shares acceptable to the Company;
"**DPI Merger Sub**" or "**Merger Sub**"	DPI Merger Sub, Inc. (LA Charter Number: 41887240D), a Louisiana corporation and wholly-owned subsidiary of Daybrook;
"DRCH"	DRC Holdings, L.L.C. (LA Charter Number: 41139560K), a Louisiana limited liability company and in which Mr Holt has a beneficial interest;
"**EBIT**"	earnings before interest and tax;
"EBITDA"	earnings before interest, tax, depreciation and amortisation;
"**Effective Date**"	the date and time of the filing and acceptance of the articles of merger by the Secretary of State of LA in accordance with the LBCA;
"**EPS**"	earnings per share;
"**Equity Bridge Facility**"	an unsecured equity bridge facility agreement in an aggregate principal amount of up to ZAR 1,200 million to be arranged and underwritten by Standard Bank in terms of the mandate and commitment letter issued by Standard Bank on or about 18 May 2015;
"**Equity Underwriter**"	Standard Bank (acting through its Corporate and Investment Banking division);
"**Escrow Account**"	the escrow account provided for in the Escrow Agreement;
"**Escrow Agreement**"	the escrow agreement to be entered into between OGL Holdco, Stockholder Representative and Citibank, N.A. as escrow agent pursuant to the Merger Agreement;

"**Escrow Amount**"	the total escrow amount to be paid to Citibank N.A. as escrow agent, comprising the NAV escrow amount, the indemnification escrow amount and the Stockholder Representative expense escrow amount, as more fully explained in paragraph 4.4 of this Circular;
"**Exchange Agreement**"	the exchange agreement concluded by each of the Remaining Stockholders and Daybrook on or about 19 May 2015 in terms of which the Remaining Stockholders shall exchange certain of their shares in Daybrook Fisheries for their membership interests of Westbank, together with the Put Option, and thereafter contribute these interests to Westbank Partners;
"**Financial Markets Act**"	the Financial Markets Act, No. 19 of 2012 as amended;
"**Fish Supply Agreement**"	the agreement to be entered into between Daybrook Fisheries and Westbank effective as of the date of the completion of the Merger in terms of which Westbank shall sell and Daybrook Fisheries shall take, purchase and pay for 100% of the Gulf Menhaden harvested by Westbank in each fishing season for an initial term of 30 years with two renewal terms of 10 years each;
"**Force Majeure Event**"	any material adverse change or events that would reasonably be expected to cause material adverse change in national or international monetary, political, financial or economic conditions or securities markets, or any material adverse change in currency exchange rates or foreign exchange controls in South Africa; a suspension or material limitation in trading in securities generally on the JSE; a suspension or material limitation in trading in Oceana's shares on the JSE; a general moratorium on commercial banking activities in South Africa by any relevant authority or a material disruption in commercial banking or securities settlement or clearance services in South Africa; an outbreak or escalation of hostilities and/or act of terrorism or any other calamity or crisis that would materially adversely impact the ability to enforce contracts for the sale of shares;
"**ft**."	feet;
"**Funders**"	collectively, BMO and Standard Bank;
"**FY 2012**"	the 2012 financial year;
"**FY 2013**"	the 2013 financial year;
"**FY 2014**"	the 2014 financial year;
"**General Meeting**"	the meeting of Oceana Shareholders to be held on the 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001 at 14:00 on Wednesday, 15 July 2015, or any adjournment or postponement thereof, to consider and, if deemed appropriate, approve the resolutions set out in the Notice of General Meeting;
"**Guarantee**"	the guarantee made by Oceana on 19 May 2015 for the benefit of Daybrook Fisheries and the Selling Stockholders in relation to the obligations of OGL Holdco under the Merger Agreement and ancillary agreements, and including the obligation to pay the Put Option Price and Put Premium;
"**HEPS**"	headline earnings per share;
"**IFRS**"	International Financial Reporting Standards, as issued by the International Accounting Standards Board;
"**Income Tax**"	income tax levied in terms of the Income Tax Act;
"**Income Tax Act**"	the South African Income Tax Act, No. 58 of 1962, as amended;

"**JIBAR**"	Johannesburg Interbank Agreed Rate, being the rate of interest at which banks participating in the South African money market offer to one another, for a three month deposit;
"**JSE**"	the JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
"**LA**" or **"Louisiana**"	the state of Louisiana in the US;
"**Last Day to Trade**"	the last Business Day to trade Oceana Shares in order to settle same and reflect in the Company's Register so as to be eligible to vote on the resolutions set out in the Notice of General Meeting;
"**Last Practicable Date**"	Wednesday, 3 June 2015, being the last practicable date prior to the finalisation of this Circular;
"**LBCA**"	the Louisiana Business Corporations Act;
"**Letter of Representation**"	a letter of representation issued by a CSDP or Broker to an Oceana Shareholder for the purposes of authorising attendance by the Oceana Shareholder at the General Meeting;
"**LIBOR**"	London Interbank Offered Rate;
"**Listings Requirements**"	the JSE Listings Requirements;
"**Material Adverse Change**"	any event that, individually or in the aggregate with any other such events, has had or would be reasonably expected to have a material adverse effect on the business, condition (financial or otherwise), operations, performance or assets of the Oceana Group taken as a whole;
"**Memorandum of Incorporation**"	the memorandum of incorporation of Oceana in force as at the Last Practicable Date;
"**Merger**"	the merger of Merger Sub and Daybrook Fisheries (as surviving corporation) in terms of the Merger Agreement;
"**Merger Agreement**"	the stock purchase agreement and agreement and plan of merger entered into on or about 19 May 2015 between Daybrook, Merger Sub, Daybrook Fisheries, Daybrook Investors, OGL Holdco, the Selling Stockholders and the Stockholder Representative which governs the Merger and Stock Purchase;
"**MT**"	Megaton;
"**Namibia**"	the Republic of Namibia;
"**NAV**"	net asset value;
"**NAV Adjustment**"	the NAV price adjustment mechanism in the Merger Agreement, whereby the NAV shall be adjusted downwards to the extent that the NAV at the Effective Date is less than the NAV on 31 December 2014;
"**New Jersey**"	the state of New Jersey in the US;
"**Notice of General Meeting**"	the notice of general meeting forming part of the Circular;
"**NV**" or "**Nevada**"	the state of Nevada in the US;
"**Oceana Cash**"	cash generated from the business operations of the Oceana Group, in the sum of up to ZAR 2,400 million;
"**Oceana Director**" **or** "**Director**"	a director of Oceana appointed to the Board;
"**Oceana Group**" or "**Group**"	Oceana and its subsidiaries;
"**Oceana Ordinary Shares**" or "**Ordinary Share**"	ordinary shares in the share capital of Oceana as at the Last Practicable Date;

"**Oceana Ordinary Shareholder**", "**Oceana Shareholder**" or "**Shareholder**"	a holder of an Oceana Ordinary Share;
"**Oceana Shares**" or "**Shares**"	Oceana Ordinary Shares;
"**OGL Holdco**"	Oceana US Holdings Corporation (EIN Assigned: 47-3945505), a corporation incorporated in terms of the laws of Delaware for the sole purpose of the Transaction, which corporation is a wholly-owned US subsidiary of Oceana;
"**Own-name Dematerialised Shareholders**"	Dematerialised Shareholders who have instructed their CSDP to hold their Dematerialised Shares in their own name on the sub-registers maintained by the CSDP;
"**Parties**"	the parties to the Merger Agreement;
"**Patronus**"	Patronus, L.L.C. (LA Charter Number: 40690247K), a Louisiana limited liability company and in which Mr Wallace has a beneficial interest;
"**Pending Lawsuit**"	the pending lawsuit that has been filed by Daybrook Fisheries against BP Exploration & Production, Inc and the other defendants or their respective insurers in the suit In Re Deepwater Horizon, Multi-District Litigation No. 2179, pending in the Eastern District Court of Louisiana. This lawsuit forms part of a consolidation of hundreds of lawsuits regarding the impact of the oil discharge from the Deepwater Horizon oil spill, and includes claims based on economic losses. Two phases of the trial have already been completed. In September 2014, the court found that the oil spill was the result of BP's "gross negligence" and "willful misconduct"; BP will therefore be subject to enhanced civil penalties. The exact amount of those penalties will not be determined until after the third phase of trial which is currently underway;
"**Posting Record Date**"	the date determined by the Board in accordance with section 59 of the Companies Act for Oceana Shareholders to be eligible to receive the Circular;
"**Purchase Consideration**"	the purchase consideration payable by Oceana for the Transaction of USD 382.3 million (ZAR 4,588 million), based on the hedged forward exchange rate at which the Transaction is expected to be completed;
"**Put Option**"	the 30-year option granted ultimately to Westbank Partners to put all of its membership interest in Westbank to Daybrook Fisheries at the Put Option Price;
"**Put Option Price**"	the put option price ultimately payable to Westbank Partners by Daybrook Fisheries, being USD 31.5 million (ZAR 378 million) and should notice to exercise be provided by Westbank Partners as the result of the passage of 1 November 2016, the put option price shall include the Put Premium;
"**Put Premium**"	USD 15 million (ZAR 180 million);
"**Register**"	the register of Certificated Shareholders of the Company maintained by the Company and each of the sub-registers of Dematerialised Shareholders maintained by the relevant CSDPs in terms of the Financial Markets Act;
"**Regulations**"	the Companies Regulations, 2011, published pursuant to section 223 of the Companies Act of South Africa;
"**Remaining Stockholders**"	certain existing direct and indirect stockholders of Daybrook Fisheries;
"**Reporting Accountant**", "**Independent Reporting Accountant**" or "**Auditors**"	Deloitte & Touche, registered auditors, a firm of chartered accountants (SA) and the independent reporting accountant and Registered Auditor to Oceana;

"**Restructure**"	the restructure of the Daybrook Group through a number of intra-group transactions whereby 75% of Westbank and the Put Option will be transferred to the Remaining Stockholders and thereafter contributed by them to Westbank Partners;
"**Rights Offer**"	the underwritten, renounceable rights offer of an amount to be determined by the Company and Equity Underwriter, immediately prior to the launch of the rights offer, proposed to be undertaken by the Company in relation to the Transaction, in terms of which the Company shall be entitled to exclude the holders of Treasury Shares from participating in the offer;
"**SARB**"	the South African Reserve Bank which includes both the Financial Surveillance Department and the Banking Supervisory Department;
"**Selling Stockholders**"	Steinwies, DRCH, Klondike Resources Inc, Estate of Eric O. Hallman and Marital Trust No. 2 u/w/o Thomas A. Kenny;
"**SENS**"	the Stock Exchange News Service of the JSE;
"**South African Press**"	the print publication "Business Day";
"**Standard Bank**"	The Standard Bank of South Africa Limited (registration number 1962/000738/06) acting through its Corporate and Investment Banking division;
"**Steinwies**"	Steinwies Treuhand Limited, currently a shareholder of Daybrook;
"**Stockholder Representative**"	Gregory Holt, acting as stockholder representative on behalf of the stockholders of Daybrook Fisheries, Daybrook, Daybrook Investors and the Selling Stockholders for purposes of the Merger Agreement;
"**Stock Purchase**"	the acquisition by OGL Holdco of the remaining shares in Daybrook Investors (being all of the shares in Daybrook Investors not already owned by Daybrook Group and the remaining shares in Daybrook (being all of the shares in Daybrook not already held by Daybrook Investors as at the Closing Date);
"**Strate**"	Strate Proprietary Limited (registration number 1998/022242/06), a private company registered in accordance with the laws of South Africa, being a licensed central securities depository in terms of section 1 of the Financial Markets Act;
"**Strate system**"	an electronic custody, clearing and settlement environment, managed by Strate, for all share transactions concluded on the JSE and off-market, and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;
"**Support Agreement**"	the support agreement to be concluded by DRCH, Patronus and Daybrook in favour of OGL Holdco in terms of which they will agree to support the steps contemplated in the Transaction;
"**Tennessee**"	the state of Tennessee in the US;
"**Term Funding**"	a term facility of ZAR 2,700 million to be raised by Lucky Star Limited, a wholly-owned subsidiary of the Company, to refinance an existing short-term facility drawn down to fund the Group's working capital commitments;
"**Tiger Brands**"	Tiger Brands Limited (registration number 1944/017881/06), a public company incorporated in the Republic of South Africa and listed on the JSE;
"**TNAV**"	tangible net asset value;
"**Transaction**"	the Restructure, Merger and Stock Purchase, which together will result in Oceana, through its wholly-owned subsidiary, OGL Holdco, being the sole beneficial stockholder of Daybrook Fisheries;

"**Transfer Secretaries**"	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of the Republic of South Africa and who are the transfer secretaries of Oceana;
"**Treasury Shares**"	Oceana Ordinary Shares held by Lucky Star Limited and Oceana Group Share Trust as at the Last Practicable Date, Lucky Star Limited being a wholly-owned subsidiary company of Oceana;
"**US**"	United States of America;
"**US Funding**"	USD 142 million (ZAR 1,704 million);
"**USD"** or "**US Dollars**"	US Dollar, the official currency of the US;
"**VAT**"	value-added tax levied in terms of the South African Value-Added Tax Act, No. 89 of 1991, as amended from time to time;
"**Voting Record Date**"	the date on which Oceana Shareholders must be entered in the Register in order to be eligible to vote at the General Meeting, expected to be Friday, 3 July 2015;
"**Warrants**"	the bearer warrant issued by Westbank entitling the holder to purchase 2,000 units of membership interest in Westbank at a unit warrant price of USD 0.01 per unit of membership interest, exercisable at any time prior to the 30th (thirtieth) anniversary of the effective date of the Westbank LLC Agreement;
"**Westbank**"	Westbank Corporation (LA Charter Number: 34396178D), a Louisiana corporation, and after the conversion of Westbank Corporation to a Delaware limited liability company, means Westbank Fishing, LLC, a limited liability company organized under the laws of Delaware and owned by Daybrook Fisheries;
"**Westbank LLC Agreement**"	the LLC Agreement to be concluded by Westbank Partners (initially the Remaining Stockholders), Daybrook Fisheries and Westbank in relation to the membership interests of Westbank Partners and Daybrook Fisheries in Westbank;
"**Westbank Partners**"	Westbank Fishing Partners, LLC (LA Charter Number: 41887380K), a limited liability corporation organized in Louisiana; and
"**ZAR**", "**Rand**" or "**R**"	South African Rand, the lawful currency of South Africa.

OCEANA GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1939/001730/06)
JSE share code: OCE
NSX share code: OCG
ISIN: ZAE000025284
("Oceana" or "the Company")

DIRECTORS

Executive

ABA Conrad
FP Kuttel *(Chief Executive Officer)*
I Soomra *(Group Financial Director)*

Non-Independent Non-Executive

MA Brey *(Chairman)*
NP Doyle
PB Matlare
TJ Tapela

Independent Non-Executive

ZBM Bassa
PG de Beyer
S Pather *(Lead Independent)*
NV Simamane

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

1.1 Introduction

Shareholders are referred to the announcement dated 19 May 2015 in terms of which Shareholders were advised that Oceana had reached an agreement with Daybrook to acquire an effective 100% beneficial stockholding in Daybrook Fisheries for a Purchase Consideration of USD 382.3 million (approximately ZAR 4,588 million[3]) and the announcement dated 27 May 2015 which set out the summarised *pro forma* financial effects of the Transaction.

Subject to the fulfilment or waiver, as the case may be, of the Conditions (a summary of which is set out in paragraph 4.7 of this Circular), and following the implementation of the Transaction, Daybrook Fisheries will become a wholly-owned subsidiary of Oceana.

The Transaction is deemed to be a Category 1 transaction for Oceana under the provisions of Section 9 of the Listings Requirements and is therefore subject to Oceana Shareholders' approval as detailed in the Notice of General Meeting.

As set out in the announcements referred to above, Oceana intends to fund the Purchase Consideration via a combination of (i) Oceana Cash, (ii) the Equity Bridge Facility and (iii) the US Funding.

The Equity Bridge Facility is expected to be repaid out of the proceeds to be raised through the Rights Offer. In order to be in a position to give effect to the Rights Offer, the Company requires its Shareholders to approve (i) the conversion of Oceana Ordinary Shares from par value Oceana Ordinary Shares of 0.1 cents each to Oceana Ordinary Shares of no par value, (ii) the increase of the authorised share capital of the Company (iii) the consequential amendments to the Memorandum of Incorporation required by the passing of (i) and (ii); and (iii) the allotment and issue of Ordinary Shares solely for the purpose of the Rights Offer.

The number of Oceana Ordinary Shares to be issued in terms of the Rights Offer may constitute more than 30% of the issued Ordinary Shares in the Company and, accordingly, the approval of

3. Excludes estimated Transaction costs (including financing fees), the majority of which are dependent on the successful outcome of the Transaction and will be paid to Oceana's advisers in both South Africa and the US.

Oceana Shareholders of the issue of such Oceana Ordinary Shares is required in terms of the provisions of section 41(3) of the Companies Act.

The Company proposes to exclude the holders of Treasury Shares from participating in the Rights Offer which requires the approval by the Oceana Shareholders.

The purpose of the Circular is to:

- provide Oceana Shareholders with relevant information to enable them to make an informed decision as to whether or not they should vote in favour of the resolutions set out in the Notice of General Meeting which is attached to and forms part of this Circular, in relation to the following inter-conditional resolutions:
  - (i) the approval of the implementation of the Transaction as a Category 1 transaction in terms of the Listings Requirements;
  - (ii) the approval of the proposed conversion of the Oceana Ordinary Shares from par value Oceana Ordinary Shares of 0.1 cent each to no par value Oceana Ordinary Shares;
  - (iii) the approval of the proposed increase in the number of authorised but unissued Oceana Ordinary Shares by a further 1,200,000,000 Oceana Ordinary Shares for the purposes of the Rights Offer as well as consequential changes to the Company's Memorandum of Incorporation to reflect the proposed changes in the share capital of the Company;
  - (iv) the approval of the issue of new Oceana Ordinary Shares to Shareholders pursuant to the implementation of the proposed Rights Offer, which new Ordinary Shares may have voting power equal to or in excess of 30% of the existing voting power of the entire issued Oceana Ordinary Share capital of the Company immediately prior to such issue;
  - (v) granting the Company the entitlement to exclude the holders of Treasury Shares from participating in the Rights Offer;
  - (vi) placing the authorised but unissued Oceana Ordinary Shares under the control of the Directors solely for the purposes of implementing the Rights Offer; and
  - (vii) authorising any director or company secretary of the Company to take all actions necessary to give effect to the above mentioned resolutions; and
- convene the General Meeting in order for Oceana Shareholders to consider and determine whether or not to vote in favour of the aforementioned resolutions.

2. BACKGROUND TO OCEANA AND DAYBROOK

2.1 History and nature of business of Oceana

2.1.1 *Corporate information*

Incorporated in 1918, Oceana is the largest fishing company in South Africa, and an important participant in Namibia's fishing industry. The Company is listed on the JSE and Namibian Stock Exchange, is a black-owned company and currently a level 2 B-BBEE contributor. It provides employment opportunities for 4 905 employees, of whom 4 373 are directly employed and 532 indirectly employed. In 2014, Oceana was rated as the most empowered listed company in South Africa (Mail & Guardian's Most Empowered Companies ranking). As at the Last Practicable Date, Oceana's market capitalisation was approximately ZAR 11,268 million.

Oceana's core purpose is to be Africa's most efficient converter of fishing rights into value for shareholders and employees, customers and suppliers and the communities in which it operates. The fishing business is the catching, processing, marketing and distribution of canned fish, fishmeal, fish oil, horse mackerel and hake, lobster and squid. The business includes mid-water fishing (horse mackerel), deep-sea trawling (hake), as well as inshore fishing for pelagic fish (anchovy, redeye herring and pilchard).

Oceana's fishing activities are conducted primarily through three operating divisions: Lucky Star; Blue Continent Products; and Oceana Lobster, Squid and French fries. A fourth division, CCS Logistics, provides refrigerated warehouse facilities with operations in Cape Town, Durban, Johannesburg and Walvis Bay.

This structure creates value through economies of scale and efficiencies in terms of raw material and product volumes, use of vessels and production resources, market focus, risk management and growth opportunities.

2.1.2 *Principal activities and operations*

Oceana's business model is dependent on the six pillars of value creation (described below), which illustrate the use of and impact on the various resources available in the business environment. These are increased, decreased or transformed in an interdependent flow during the business activities of Oceana and may be summarised as follows:

Securing access to fishing rights

- Maintain and increase own rights, through delivery on government expectations
- Increase rights through partnership and acquisition
- Collaborate in ensuring sustainable fishing practices to maintain the fishing resource

Land and source fish stock efficiently

- Optimise operations and fleet to land assigned quota
- Source additional raw, frozen and canned fish through sophisticated supply chain processes

Manufacturing and business processes

- Provide an enabling environment to attract, retain and develop best talent
- Operate effective onshore processing and canning operations

Storage and distribution activities

- Maintain own cold storage and logistics operation, supported by effective supplier relationships

Product marketing and branding

- Deliver product to individuals, retailers, wholesalers, importers, exporters, restaurants, food producers, feed manufacturers and pet owners in diversified global markets across consumer segments
- Ensure competitive pricing, continuity in supply, appropriate product information, and healthy, quality, branded product

Relationship management

- Strong focus on maintaining trusted relationships with all critical stakeholders

2.1.3 *Prospects for Oceana as enhanced by the Transaction*

It is envisaged that the Transaction would enable Oceana to enhance the value proposition and returns to Shareholders through:

- diversification of Oceana's fishing rights and fish species exposure;
- diversification of Oceana's geographic and currency exposure;
- enhanced group profitability and cash flow generation;
- return of cash flows to South Africa through dividends and/or management fees;
- synergistic cost savings to be realised upon implementation of the Transaction;
- efficiencies to be derived from recent upgrades to the Daybrook Group processing plant; and
- cross skills and knowledge transfer that may enhance efficiencies in Oceana's existing South African businesses as well as in Daybrook's operations.

2.2 History and nature of business of Daybrook Fisheries

2.2.1 *Incorporation and history*

The Daybrook Fisheries business was established in 1971 and has progressed into a vertically-integrated fishing company engaged in harvesting and processing of Gulf Menhaden into fishmeal and fish oil for domestic and international markets.

Strategically located in Empire, Louisiana, about 60 miles south of New Orleans, near the mouth of the Mississippi River, Daybrook Fisheries is in close proximity to the abundant Gulf Menhaden resource (one of the largest fisheries in the US).

In addition to the operation in Empire, Louisiana, the company also has corporate and executive offices in Morristown, New Jersey and New Orleans, Louisiana as well as and storage facilities in Memphis, Tennessee and Avondale, Louisiana.

2.2.2 *Nature of Business*

Daybrook owns and operates eleven refrigerated tender vessels averaging 175 ft. in length (LOA) and built to carry 500 tons of harvested fish in two refrigerated holds. Each vessel carries two 40 ft. fishing boats, which harvest Gulf Menhaden through a fishing process referred to as "purse seining".

The raw material is unloaded from the fishing vessels directly to the largest Gulf Menhaden processing plant in the US, where it is processed into high-value fishmeal and fish oil.

It operates a vertically integrated company, catching and processing Gulf Menhaden into fishmeal, a high protein feed ingredient, and fish oil, which is sold for aquaculture and animal feeds and also for further refining into dietary supplements. Gulf Menhaden, small oily fish, are migratory plankton surface-feeders that swim in large schools during the fishing season in the Gulf of Mexico, which extends from mid-April to November.

Typically, Daybrook vessels are responsible for 35% to 40% of the annual US Gulf Menhaden catch.

Daybrook's location provides access to both the Mississippi River and the Gulf of Mexico.

Sales are made to leading domestic and international companies manufacturing animal and aquamarine nutritional products and selected distributors servicing this sector.

Proximity to the Port of New Orleans, as well as other Gulf of Mexico ports, enables the competitive export of Daybrook's products to China, other Asian countries, Europe, and Latin America.

Daybrook, through Westbank, operates a fleet of eleven refrigerated vessels and ten Cessna aircraft. It also maintains its own aircraft and operates a full aviation repair maintenance facility at Stennis Airport in Mississippi. The fishing industry relies on spotter planes to assist the captains in locating the fish.

Each vessel has a fishery endorsement which grants such vessel the right to fish for Menhaden in the Gulf of Mexico. Applicable federal law requires that at least 75% of the equity interests in Westbank be owned by United States citizens.

2.2.3 *Products*

Daybrook Fisheries uses an innovative indirect drying process and operates a world class laboratory. Its fishmeal and fish oil products are high in omega-3 fatty acids which are used for feed formulations in agriculture, aquaculture and pet food industries.

It provides a variety of fishmeal shipping options to meet the needs of its customers. Fishmeal and fish oil may be loaded in trucks, vessels, barges, railcars or containers.

The demand for fishmeal and fish oil is increasing due to rising global protein requirements, the growing demand from aquaculture given its increased use in aquaculture production, and the growing demand for pork and seafood. This trend is expected to continue.

The increased demand from human consumption is furthermore expected to drive fish oil price increases (contributors include the growing world population, ageing population, improved standards of living, rising healthcare costs and the increased interest in preventative healthcare and awareness of nutritional product benefits).

2.2.4 ***Financial overview of Daybrook Group***

Metrics	USD'm	ZAR'm
FY 2014 Sales	124.0	1 488
FY 2014 EBIT	37.0	444
FY 2014 NAV	110.5	1 326
FY 2014 Net cash	51.0	612

2.2.5 ***Prospects for Daybrook Fisheries***

The Transaction would allow Daybrook Fisheries to benefit from Oceana's procurement programmes as well as group support functions to save costs and increase efficiencies.

Over the next five years an expansion of the fleet and an increase in plant capacity is planned as a result of the recent installation of innovative dryer technology. Industry catch levels are below sustainable levels which provides Daybrook Fisheries with the opportunity to increase its annual catch while maintaining the sustainability of the resource.

2.2.6 ***Board of Directors***

Daybrook Fisheries has a board of directors with a broad range of skills and significant depth of experience to support its ongoing operations. Information on the board of directors and officers is set out below:

Gregory F Holt (67)

Founding Principal, Chairman and Chief Executive Officer

In 1990, Gregory founded Daybrook and Daybrook Fisheries, a US/Dutch-owned vertically-integrated Fishing and Production Company headquartered in Louisiana, producing fishmeal and fish oil. Prior to that, from 1969 to 1985, he served in various positions and as a senior officer of International Proteins Corporation (IPC). Then an American Stock Exchange listed company, IPC engaged in the operation of bulk agricultural commodity terminals in the US, small bulk carriers, fishery and commodity production operations in Peru, Chile, Panama, and Canada. In 1985, he founded his own trading, shipping, and financing company. He has served on numerous industry boards and trade associations, including Westway Group Inc., The International Fishmeal and Fish Oil Association and National Fisheries Institute and is a past Co-Chairman of the Rutgers University Marine Aquaculture Funding Task Force. Gregory is a member of the Board of Trustees of the Ogden Museum University of New Orleans and has served as an adviser/investor in various capital asset commodity transactions designed to acquire strategic manufacturing capacity in these core businesses in Latin America and the US. Gregory, a US citizen, was born in the United Kingdom and moved to the US in 1969.

W Borden Wallace (68)

Executive Vice President and Chief Operating Officer

W Borden Wallace has over 45 years' experience in the Menhaden Industry and has served as Executive Vice President and Chief Operating Officer of Daybrook Fisheries since 1992. Past memberships include Marine Fisheries Advisory Committee, six years advisory to Secretary of Commerce on US Fishery Policy, Governor's Commission on Coastal Restoration and Preservation, and past Chairman and current member of Gulf Menhaden Advisory Committee. He is a co-author of many technical publications on Menhaden issues and is a current board member of the Venice Port Coalition and the Plaquemines Association of Business and Industry. He was born in Morehead City, North Carolina and is a graduate of Duke University with a Bachelor of Science in Zoology 1969, MAT 1970. He also holds an Associate Degree in Risk Management, Insurance Institute of America 1972.

Stephen Morganstern (67)

Chief Financial Officer

Stephen is responsible for all accounting, controllership and treasury matters as well as the management of Daybrook Fisheries' 401(k) plan. Before joining Daybrook Fisheries, he had a 32-year career in international agri-business where his most recent position was Managing Director and Chief Financial Officer of Nidera Holdings, B.V. based in Rotterdam, The Netherlands. Stephen has a MBA from Columbia University and BS degree in Economics from Georgetown University.

Lee Alexander (60)

P.E., F.ASCE, F.NSPE

Vice President, Operations

Lee joined the Daybrook family on the reconstruction and rebirth of the facility in Empire, Louisiana following Hurricane Katrina. Over the past nine years, he has implemented state-of-the-art technology, equipment and techniques at the Empire complex. Lee has extensive experience in design/build for owners of regional shopping malls, hospitals, hotels, resorts and was Senior Project Manager at Harrah's Casinos in Tunica, Mississippi and New Orleans. With his own firm, he oversaw the conception and completion of the Ritz-Carlton in New Orleans and Sarasota, and the Tucker's Point Club in Bermuda. He is the author of two books; his first book concerning Project Management on Large Projects was published by Stone & Webster, a former Design/Build firm for Nuclear Power plants headquartered in Boston; and a second book titled "Owner's Guide to Successful Developments", published by the National Society of Professional Engineers (NSPE). He has served as the National Chair for Professional Engineers in Construction for NSPE, local President of the Louisiana Engineering Society (LES) and local President of the American Society of Civil Engineers (ASCE), and was selected as a Fellow Member in both ASCE and NSPE. He served in the U.S. Navy, Civil Engineering Corps and received his BS in Civil Engineering from the University of Notre Dame and earned his Master's from Marquette University.

Glenn Speakman (69)

Senior Vice President, Sales and Marketing

Glenn is responsible for marketing Daybrook Fisheries' products, analysing markets and developing market strategies. He joined the newly formed Daybrook Fisheries in 1990 as Vice President in charge of sales and marketing. Prior to that he was Vice President of Seacoast Products, Inc. (a large fishmeal and fish oil company that was acquired by what is now Omega Protein) in charge of all domestic and international sales as well as logistics. He has a degree in Biology and also studied Marketing and Management. He has served as Chairman of the technical committee of IFOMA (now IFFO) and on various industry-related committees.

Scott Herbert (50)

Vice President, Market Development

Scott is responsible for introducing Daybrook Fisheries products to new markets with an emphasis on new international markets. He also works closely with the operations department in scheduling production, customer and governmental audits and certifications and managing logistics. He joined the company in 2010 after a 17+ year career with Omega Protein where he finished his career as Sr. Vice President. Scott was born in Cullman, AL and received his Bachelor of Science in Ag Business at the University of Tennessee. Prior to his career in the menhaden industry he worked for ConAgra. He has served as the chairman of IFFO's scientific committee, was on the Board of Directors for AFIA and is currently on the Ag committee for the World Trade Center.

Carlos Soudy (73)

Vice President, Marine Operations

Carlos heads Daybrook's marine and general engineering departments. A Chilean national and US resident, he headed similar operations for Zapata Inc., Seacoast Products Inc., and Omega Protein Inc. prior to joining Daybrook Fisheries in 1996. He has a degree in Naval Engineering.

Lauren A Holt (37)

Vice President and Director, Corporate Communications

Lauren manages Daybrook Fisheries' internal and external communications, overseeing its branding, marketing, and media initiatives including the development of its new website in 2014. She works closely with Daybrook Fisheries' HR team and legal counsel to ensure Daybrook Fisheries' policies are effective and in compliance with ever-changing employment laws and produced its first Employee Handbook. She also serves as Director of the Daybrook Foundation, a 501I(3) non-profit organization, where she manages Daybrook Fisheries' charitable giving, including the recently launched College Scholarship Program. Lauren has extensive experience in multi-media production, management, and design; is a graduate of the Rhode Island School of Design and holds a Master of Fine Art in Digital Media, a Bachelor of Arts in Communications Studies, and a Bachelor of Arts in Women's Studies.

Peggy Thompson (57)

Vice President and Controller

Peggy is responsible for the purchasing, accounting, and payroll departments including forecasts and audit preparations. She works closely with the CFO, senior leadership, and the human resources (HR) and information technology (IT) staff to enhance and better integrate accounting, HR, and IT functions at the corporate office and plant operations. Prior to joining Daybrook Fisheries in 1990, Peggy was a staff accountant for IMT Marine Terminals in LA and previously Controller at Berhman Chiropractic Group.

Karl F Wulf (53)

Vice President, Deputy General Manager

Karl's professional career reflects over 30 years' experience in Fleet Maintenance Management, Operations Management, Business Analysis, Strategic Planning, and Procurement in a variety of service industries. Awarded a Bachelor of Science Degree in Business Administration, Magna Cum Laude by Upper Iowa University as well as a Master's Degree in Business Administration in Management by Strayer University, Coral Springs, Florida. He enlisted in the Marine Corp 1979 and retired in 2005 with numerous awards.

Shane Treadaway (43)

Vice President, Marine Operations

Formerly as a Chief Engineer, Pilot and Marine supervisor, Mr Treadaway has a 19-year career with Daybrook Fisheries and is responsible for all aspects of its fishing operations, marine fabrication, engineering, maintenance and federal compliance. Recently appointed, he further heads new vessel development, Coast Guard compliance, engineers licensing and the National Oceanic and Atmospheric Administration (NOAA) fish sampling programme.

3. OCEANA RATIONALE FOR THE TRANSACTION

3.1 Rationale for the Transaction

Oceana's strategy includes the expansion of its operations internationally in order to diversify its fishing rights and licences, fish species, operational geography and currency exposure.

Oceana has evaluated opportunities in both South Africa and the rest of Africa and has not been able to identify assets of sufficient scale which also deliver the required risk adjusted returns, in order to deliver on its expansion strategy.

The Transaction represents a rare opportunity for Oceana to undertake a truly transformative transaction and acquire access to a sustainable and well managed fishing resource in the US.

Based on Oceana's and a World Bank analysis, fishmeal demand is increasing primarily due to the aquaculture industry which is one of the fastest growing food production segments in the world[4]. Demand for fishmeal and fish oil is increasing due to rising global protein requirements, growing demand from aquaculture production as well as inputs into pet food and pork production. Oceana expects this trend to continue in the longer term.

The Transaction will add significant fishmeal and fish oil exposure and diversification to Oceana's product mix and currency exposure and create a significantly larger group with multi-country exposure. It will also provide Oceana with a platform to explore further initiatives globally.

Oceana has identified cost savings included in the historical annual financial statements of at least USD 3.0 million per annum (ZAR 32 million based on an average exchange rate of USD/ZAR 10.55 for the 12-month period ended 30 September 2014) that can be extracted from Daybrook Fisheries, within two years of the Transaction, by the incorporation into the broader Oceana Group.

3.2 Oceana intentions post implementation of the Transaction

3.2.1 *Intentions generally*

This section sets out Oceana's present intentions on the basis of facts and information concerning Daybrook Fisheries and the general business environment which are known to it as at the Last Practicable Date. Final decisions on these matters will only be made by Oceana in light of all material facts and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and may change as new information becomes available or as circumstances change.

References in this section to the intentions of Oceana include reference to OGL Holdco's intentions.

3.2.2 *Review of operations*

Oceana has undertaken a general review of Daybrook Fisheries' operations covering strategic, financial and operating matters.

Based on information available to it at the Last Practicable Date, Oceana believes it can realise significant value through driving synergies and efficiencies between Oceana and Daybrook Fisheries within two years after completion of the Transaction, through a number of key initiatives discussed below.

3.2.3 *Board and Management*

Oceana recognises the knowledge and experience of the Daybrook Fisheries senior management team and looks forward to working with them post implementation of the Transaction.

Oceana intends to reconstitute the boards of directors of Daybrook, Daybrook Investors and Daybrook Fisheries with representatives of Oceana and certain members of Daybrook senior management together with consequential changes to the boards of Daybrook's subsidiaries. These changes will be determined following the implementation of the Transaction.

3.2.4 *Employees*

Oceana considers Daybrook Fisheries' employees to be an integral part of the business' success. Oceana does not have intentions to alter Daybrook Fisheries' current staff complement.

3.2.5 *Other intentions*

Other than as set out in this section, Oceana has no current intention to make major changes to, or dispose of any parts of, Daybrook Fisheries' business.

4. World Bank report: Fishing to 2030

3.3 Irrevocable support and undertakings

Tiger Brands, which owns 50 098 877 Ordinary Shares in Oceana or 43.8% of the Oceana Shares eligible to vote at the General Meeting, and Brimstone, which owns 20 096 755 Oceana Shares or 17.6% of the Oceana Shares eligible to vote at the General Meeting, have both signed irrevocable letters of support to vote in favour of all necessary special and ordinary resolutions pursuant to the Transaction and the Rights Offer.

In addition, Tiger Brands and Brimstone have each signed irrevocable letters of commitment to follow their rights in the Rights Offer.

4. TERMS OF THE TRANSACTION

4.1 Current structure of Daybrook Fisheries

Daybrook Fisheries' current group structure separates the fishing assets from its processing plant assets through a wholly-owned operating subsidiary, Westbank. The processing plant assets and the sales and administrative functions reside within Daybrook Fisheries and the fishing vessel and spotter plane assets reside within Westbank.

4.2 Details of the Transaction

4.2.1 *Transaction structure*

The Transaction will be implemented in three interconnected phases.

(i) Restructure

The Restructure of the Daybrook Group through a number of intra-group transactions whereby, among other things, capital stock held by the Remaining Stockholders in Daybrook Fisheries and Daybrook Investors will be exchanged for membership interest units in Westbank and the Put Option, with the result that following the Restructure, 75% of the Membership Interest in Westbank will be indirectly owned by the Remaining Stockholders jointly through a newly formed limited liability corporation, Westbank Partners.

The Restructuring is an essential step that is required because the AFA prohibits Westbank, as owner of a fleet of 11 US flag fishing vessels, to be owned or controlled by a non-US citizen. The 75% ownership of Westbank by the Remaining Stockholders (initially and then via Westbank Partners), ensures that the US flag fishing vessels will continue to be eligible for documentation with a fishery endorsement in the US.

(ii) Merger

Daybrook has incorporated a new wholly-owned subsidiary, DPI Merger Sub, for purposes of the Merger.

It is envisaged that DPI Merger Sub will merge with Daybrook Fisheries pursuant to which Daybrook will ultimately hold a 100% direct interest in the surviving corporation, Daybrook Fisheries.

The Merger Agreement stipulates that Daybrook Fisheries shall hold a stockholders meeting at which the merger of Merger Sub with Daybrook Fisheries will be proposed to the Daybrook Fisheries' stockholders. In terms of Louisiana corporate law a resolution by at least a majority of the stockholders of Daybrook Fisheries is required to pass a resolution approving the Merger.

DRCH, Patronus and Daybrook have entered into an agreement in terms of which each of them has irrevocably committed to vote all their shares in Daybrook Fisheries in favour of the Merger.

Following the approval of the merger, Daybrook will ultimately own 100% of the shares in Daybrook Fisheries.

(iii) Stock Purchase

The Merger Agreement provides that following the Merger, OGL Holdco shall acquire all of the shares in Daybrook Investors not already owned by the Daybrook Group, as well as the remaining shares in Daybrook not already held by Daybrook Investors.

As a result of the Stock Purchase, Oceana through OGL Holdco will indirectly own 100% of the issued capital stock of Daybrook Fisheries and 25% of the issued membership interest of Westbank.

4.3 Exchange Agreement

In order to comply with United States laws with respect to fisheries licences for the vessels owned by Westbank, Oceana considered United States citizens with substantial experience in the menhaden fishing industry to own at least 75% of the capital stock of Westbank.

Accordingly, in the Exchange Agreement the Remaining Shareholders have agreed to exchange capital stock in the Daybrook Group for membership interest units in Westbank and the Put Option. The Remaining Shareholders comprise companies which are owned by Gregory Holt, President of Daybrook Fisheries, Borden Wallace, Executive Vice President of Daybrook Fisheries and their advisor Joel Mallin.

After the exchanges described above, the Remaining Shareholders will contribute their interests in Westbank and the Put Option to a company they jointly own, Westbank Partners.

Pursuant to the transactions set out above and the Exchange Agreement, Westbank Partners will own 75% of Westbank, and Daybrook Fisheries will own 25% of Westbank.

4.4 Merger Agreement

(i) Locked box and NAV Adjustment mechanisms

The Merger Agreement provides for a “locked box” mechanism effective from 1 January 2015 until the Effective Date, requiring that each of Daybrook Fisheries and Westbank conducts its business in the ordinary course and uses its best efforts to maintain and preserve intact its organisation, business, franchises goodwill and relationships with employees, regulators and other business relationships. The Merger Agreement also identifies specific instances of value leakage from Daybrook Fisheries and Westbank that would entitle OGL Holdco to indemnification.

In addition, the Merger Agreement provides a post-closing pricing mechanism whereby the Closing Consideration will be decreased by the amount of the NAV at the Effective Date that is less than the NAV on 31 December 2014. The NAV Adjustment does not provide for the converse scenario whereby the Closing Consideration is increased to the extent that the Effective Date NAV is more than the NAV on 31 December 2014.

(ii) Merger

In terms of the Merger Agreement, Daybrook Fisheries shall solicit the approval of the Merger by its stockholders at a duly convened meeting of the stockholders as required by, and in accordance with, the LBCA and Daybrook Fisheries’ articles of incorporation and by-laws.

In terms of the LBCA and the articles of incorporation at least a majority of the stockholders of Daybrook Fisheries are required to approve the Merger. In this regard OGL Holdco has entered into a support agreement with DRCH, Patronus and Daybrook in terms of which each has irrevocably committed to vote all of its Daybrook Fisheries’ shares in favour of the Merger. Following the vote, the articles of merger must be filed and accepted by the Secretary of State of Louisiana in accordance with the LBCA.

An approved Merger will cash-out any dissenting shareholders in Daybrook Fisheries, by requiring them to dispose of their shares in the merged entity thereby ensuring a complete take-over. Any dissenting minority shareholders have statutory appraisal rights under the LBCA, entitling them to demand fair value for their shares.

(iii) Stock Purchase

The stockholders of Daybrook Investors have agreed to sell their stock to OGL Holdco, and Steinwies has agreed to sell its stock in Daybrook to OGL Holdco, pursuant to the Stock Purchase contemplated in the Merger Agreement.

Upon consummation of the Merger and the Stock Purchase, Daybrook Investors, Daybrook and Daybrook Fisheries shall each be a direct or indirect wholly-owned subsidiary of OGL Holdco.

(iv) Closing Consideration

The Closing Consideration shall be paid on the Closing Date by or on behalf of OGL Holdco as follows:

- the Closing Merger Consideration shall be paid to the merger exchange agent under the Merger Agreement on behalf of Merger Sub;
- the Escrow Amount shall be paid into the Escrow Account; and
- the Closing Stock Consideration, less the value of shares of Daybrook Fisheries' phantom stock triggered by the Transaction to be paid by Daybrook Fisheries to the phantom stockholders, shall be paid to the stockholders of Daybrook Investors in consideration for their capital stock in Daybrook Investors, and Steinwies in consideration for its capital stock in Daybrook.

In addition to the Closing Consideration, USD 4.9 million shall be paid in settlement of shareholder loans to the Daybrook Group; USD 6.7 million shall be paid in consideration for the non-competition and consulting undertakings of management; and USD 13.0 million shall be paid to Daybrook Resources Corporation in consideration for the assignment of key trademarks.

The Merger Agreement provides further that any transaction expenses incurred by Daybook Fisheries in excess of USD 1.0 million shall be deducted from the Closing Consideration.

Daybrook Fisheries, as surviving corporation, shall also remit to the Selling Stockholders under the Merger and the Selling Stockholders under the Stock Purchase, in their pro rata portions, any contingent funds that may become payable in future in connection with the Pending Lawsuit that has been filed by Daybrook Fisheries against BP Exploration & Production, Inc. among others.

(v) Escrow Amount

Part of the Closing Consideration shall be paid into and held in the following separate escrow accounts to be administered by Citibank N.A. as escrow agent:

(i) an amount of USD 10.0 million to be held for the purpose of the payment obligations of the Stockholders in respect of the NAV Adjustment post-closing pricing mechanism;

(ii) an amount of USD 65.0 million to be held for the purpose of securing indemnification, defense and hold harmless obligations of the Stockholders under the Merger Agreement ("Merger Escrow Account") and reduced as follows:

- at 12 months after the Closing Date, to USD 41 million, minus any indemnity claims paid and a reasonable reserve amount in respect of any then pending claims;
- at 18 months after the Closing Date, to USD 15 million minus any indemnity claims paid and a reasonable reserve amount in respect of any then pending claims; and
- at 72 months after the Closing Date, the escrow fund shall terminate and the balance of any Merger Escrow Account shall be delivered to the Stockholder Representative for the benefit of and for distribution to the Merger stockholders and the Selling Stockholders except for the agreed amounts to be retained by the Stockholder Representative and other than reserve amounts held in escrow in respect of any pending claims;

Amounts paid from the Merger Escrow Account specifically for building permit violations during the 18-month period from the Effective Date will further reduce the Merger Escrow Account balance; and

(iii) an amount of USD 1 million to be held in escrow for the purpose of funding any expenses of the Stockholder Representative arising in connection with the administration of Stockholder Representative's duties in the Merger Agreement, as is customary in US merger and stock purchase agreements.

Escrow Amounts that are released shall be paid to the disposing stockholders under the Merger and the Selling Stockholders under the Stock Purchase in their *pro rata* portions.

(iv) **General**

The Merger and Stock Purchase are subject to the satisfaction or waiver of the Conditions (the details of which are set out in paragraph 4.7 of this Circular).

The Merger Agreement also contains customary representations and indemnities that are appropriate for the acquisition of a private company in the US.

Oceana has guaranteed the obligations of OGL Holdco and Daybrook Fisheries as surviving corporation under the Merger Agreement.

4.5 Westbank Agreements

4.5.1 *Fish Supply Agreement*

In order to secure the continued supply of Gulf Menhaden to the processing operations of Daybrook Fisheries following the Restructure, Westbank and Daybrook Fisheries will enter into the Fish Supply Agreement in terms of which Westbank shall sell, and Daybrook Fisheries shall purchase, 100% of the Gulf Menhaden harvested by Westbank.

The Fish Supply Agreement has an initial term of 30 years with two renewal terms of 10 years each.

4.5.2 *Warrant*

The Transaction contemplates that Westbank shall issue a Warrant to Daybrook Fisheries entitling the holder to purchase an aggregate of 2,000 units of membership interest ("Warrant Units") in Westbank at a purchase price of USD 0.01 per membership interest unit, which shall be exercisable at any time or from time to time prior to the 30th (thirtieth) anniversary of the effective date of the Westbank LLC Agreement. The exercise of the Warrant will entitle the Warrant holder to acquire an effective 50% membership interest in Westbank.

Following the implementation of the Transaction, Daybrook Fisheries will effectively be prohibited from exercising the Warrant as it will be owned and controlled by a non-US citizen. Furthermore, the terms of the Warrant provide that the Warrant may not be exercised by a non-US citizen, except to the extent such exercise would not cause such non-US citizen together with any other members of Westbank who are non-US citizens, to own or control more than 25% percent of the units of membership interest of Westbank.

Accordingly, it is contemplated that any exercise of the Warrant will be undertaken by a suitable US citizen or entity identified by Daybrook Fisheries, and to whom the Warrant will be sold or transferred prior to such exercise.

4.5.3 *Westbank LLC Agreement and Put Option*

The Westbank LLC Agreement will be entered into by Westbank Partners (initially the Remaining Stockholders), Daybrook Fisheries and Westbank prior to the Merger, and will inter alia, regulate the relationship of these members among themselves as well as address matters relating to the governance of Westbank.

The Westbank LLC Agreement grants Westbank Partners (initially the Remaining Shareholders) a 30-year Put Option entitling it to put all of its membership units in Westbank ("Westbank Interest") to Daybrook Fisheries within a 30-day period commencing on 1 November 2016 or the date of occurrence of one of the following trigger events:

- a change of control of OGL Holdco or Daybrook Fisheries;
- a bankruptcy event in respect of Oceana, OGL Holdco or Daybrook Fisheries;
- Daybrook Fisheries' termination or assignment of the Fish Supply Agreement; or
- the exercise of the Warrant,

(collectively "Trigger Events").

If the Put Option is exercised as the result of the passage of 1 November 2016, the closing date of the Put Option shall be 15 November 2017.

If the Put Option is exercised as the result of the occurrence of a Trigger Event, the Put Closing Date shall occur no later than 45 days after the date of the occurrence of the Trigger Event, except where the exercise of the Put Option is triggered by the Warrant in which case the closing date shall occur simultaneously on the date that Westbank issues the Warrant Units to the Warrant holder.

Upon exercise of the Put Option, Daybrook Fisheries will purchase the Westbank Interest for an agreed price of USD 31.5 million (ZAR 378 million) and should notice to exercise be provided by Westbank Partners as the result of the passage of 1 November 2016, or the occurrence of a Trigger Event prior to 1 November 2016, Daybrook Fisheries will pay Westbank Partners an additional USD 15 million (ZAR 180 million).

The Put Option Price is intended to be funded via a combination of existing Daybrook Fisheries cash and undrawn US Funding facilities if required.

In terms of the Guarantee, Oceana has undertaken to guarantee the payment of the aforementioned amounts to the extent necessary. The unpaid distributions that have been agreed in the Westbank LLC Agreement and are owing to Westbank Partners shall be paid together with the aforementioned amounts.

4.6 Funding of Transaction

4.6.1 *Overview*

Oceana will acquire an indirect interest in the entire issued share capital of Daybrook Fisheries for a Purchase Consideration of USD 382.3 million which will be funded via a combination of existing Oceana Cash, the Equity Bridge Facility and the US Funding, as follows:

(i) Up to ZAR 2,400 million from (i) Oceana Cash, and (ii) to the extent that the Oceana Cash available to fund the Purchase Consideration is less than ZAR 2,400 million, on or about the date that the Transaction will be implemented, the utilisation of a tranche of Term Funding to fund any shortfall to the extent required;

(ii) Up to USD 142 million (ZAR 1,704 million) from the US Funding; and

(iii) ZAR 1,200 million from the Equity Bridge Facility.

The total amount of debt finance available to Oceana and OGL Holdco, when aggregated with the Oceana Cash, is sufficient for OGL Holdco to pay the Purchase Consideration in accordance with the terms of the Merger Agreement.

4.6.2 *Oceana Cash*

Oceana intends to partially fund the Purchase Consideration from Oceana Cash in the sum of up to approximately ZAR 2,400 million.

4.6.3 *Debt finance arrangements*

Oceana has entered into:

- the Equity Bridge Facility; and
- the US Funding, which will be used to settle a portion of the Purchase Consideration.

The Equity Bridge Facility is expected to be repaid out of the proceeds of the Rights Offer which Oceana intends to commence after the Transaction has been completed. The implementation of the Transaction however is not conditional on the Rights Offer.

The ZAR denominated term facility and the Equity Bridge Facility have been underwritten by Standard Bank and the USD denominated funding required has been underwritten by BMO. The Funders have provided Oceana with their respective commitments to fund the re-finance of the existing Lucky Star Limited short-term working capital facility. In addition, the Funders have agreed to advance the Equity Bridge Facility and US Funding to be utilised to fund part of the Purchase Consideration.

The Company and Standard Bank have entered into a standby underwriting commitment under which Oceana agrees to conduct, and Standard Bank agrees to underwrite, an equity raising of up to ZAR 1,200 million by Oceana. The Equity Bridge Facility is conditional on the underwriting arrangements remaining in force with the Equity Underwriter, which in turn is conditional on, among other customary conditions: (a) Oceana shareholder approvals; (b) the transaction agreements remaining in force; (c) no material adverse change event; (d) no Force Majeure Event; and (e) no change of control of Oceana.

The capital structure of the Transaction was carefully considered as to its effect on the balance sheet and cash flow position of the Group. Assuming a continuance of the recent performance of Oceana and Daybrook Fisheries, the Transaction is not expected to restrict Oceana's ability to maintain its dividend policy and fund future growth.

4.6.4 *Oceana financial assistance*

Shareholders of Oceana have previously adopted the resolutions required to provide the intra-group financial assistance envisaged in terms of the Transaction, to the extent required in terms of section 45 of the Companies Act.

Shareholders are advised that the Board has adopted resolutions authorising the intra-group financial assistance required in relation to the Transaction, as envisaged in this Circular and the Oceana Directors are satisfied, pursuant to providing any financial assistance related to the Transaction, that:

- there were no circumstances known to the Board that may disqualify Oceana from relying on the exemption from the prohibition of unlawful financial assistance in section 45(3) of the Companies Act;
- immediately after providing such financial assistance, Oceana would satisfy the solvency and liquidity test, as contemplated in section 4 of the Companies Act;
- the terms under which the financial assistance is proposed to be given are fair and reasonable to Oceana; and
- all applicable requirements and restrictions in respect of financial assistance set out in the Memorandum of Incorporation have been satisfied.

4.7 Conditions

The Transaction will be subject to customary closing conditions, including, but not limited to the following material conditions:

- approval of the Merger by the requisite number of stockholders of Daybrook Fisheries;
- Oceana Shareholders approving the Transaction (greater than 50% by number of votes, present and voting);
- Oceana Shareholders approving resolutions in respect of certain matters pertaining to the implementation of the Rights Offer (at least 75% by number of votes, present and voting);
- all regulatory consents, approvals and/or exemptions required for the Transaction, including without limitation the approvals and/or exemptions of the anti-trust/competition authorities, the US Department of Transportation Maritime Administration, the JSE, the Financial Surveillance Department of the SARB and the US Federal Trade Commission and/or Justice Department (as applicable), will have been obtained and such approvals are not withdrawn, cancelled or revoked;
- (i) the warranties and representations in the Merger Agreement remaining true and correct on the Closing Date, (ii) Daybrook Fisheries and the Daybrook Group stockholders who are party to the Merger Agreement having complied with their obligations thereunder and (iii) no litigation arising in connection with the Merger Agreement;
- no legal or governmental restraint or action impeding completion of the Transaction;
- the Exchange Agreement, along with the transactions and agreements contemplated therein, shall have been entered into and shall have become unconditional, of full force and effect and be implemented in accordance with its terms;
- consent being obtained from the relevant counterparties to certain material contracts of Daybrook Fisheries;
- 75% of Westbank shall be owned by Westbank Partners whose members either have substantial experience in the Menhaden fishing industry or are direct advisers to such persons;
- holders of not more than 3% of the outstanding shares of Daybrook Fisheries common stock in

the aggregate shall have exercised statutory appraisal rights under the LBCA;

- the assignment of all required trademarks to Daybrook Fisheries;
- the Support Agreement being executed and becoming of full force and effect;
- no Material Adverse Change occurring;
- no Force Majeure Event occurring;
- Daybrook Fisheries shall have discharged its debt to the National Oceanic and Atmospheric Administration;
- Daybrook Fisheries delivering all of the closing deliverables outlined in the Merger Agreement;
- cancellation of all outstanding security interests and mortgages by Daybrook Fisheries in favour of US regulators;
- a vote of the Daybrook Fisheries stockholders being obtained in relation to any parachute payments (in accordance with the provisions of section 280G of the US Internal Revenue Code of 1986); and
- each key employee of Daybrook Fisheries identified by OGL Holdco entering into an employment agreement.

The Transaction will not become effective until and unless all the Conditions are satisfied or waived. The Conditions are set out in full in the Merger Agreement.

As at the Last Practicable Date, the conditions relating to approvals and/or exemptions of the JSE, the Financial Surveillance Department of the SARB and the US Federal Trade Commission and Justice Department as well as the discharge by Daybrook Fisheries of its debt due to the National Oceanic and Atmospheric Administration, have been satisfied.

4.8 Additional information required for Daybrook Fisheries

It is envisaged that Daybrook Fisheries will operate as a wholly-owned unlisted subsidiary of Oceana, and its underlying assets and liabilities will not be transferred to Oceana.

Given the limited changes to Daybrook Fisheries' assets and liabilities, changes to Daybrook Fisheries' guarantees or warranties as a result of the Transaction are expected to be minimal.

After completion of the Transaction, Daybrook Fisheries' articles of incorporation will be amended accordingly to comply with paragraph 10.21 of Schedule 10 of the Listings Requirements to the extent necessary.

4.9 Details of material assets acquired by Daybrook Fisheries during the past three years

The acquisitions by Daybrook Fisheries for each of FY 2012, FY 2013 and FY 2014 are disclosed in its annual financial statements. None of the acquisitions entered into by the Daybrook Fisheries during the past three years (other than the Transaction) are considered material to the Daybrook Group. As such no vendor information has been disclosed.

4.10 Categorisation and Oceana Shareholder approval

The Transaction is classified as a Category 1 transaction for Oceana under the Listings Requirements and is therefore subject to Oceana Shareholders' approval as detailed in the Notice of General Meeting. Oceana intends to undertake the Rights Offer following the Transaction.

Accordingly, approval by the requisite majority of holders of Oceana Ordinary Shares and present in person or by proxy, and voting at the General Meeting will be required for the Transaction and the special and ordinary resolutions necessary to implement the Rights Offer.

5. RIGHTS OFFER

5.1 Subject to the resolutions set out in the Notice of General Meeting being approved at the General Meeting, and registered by the CIPC to the extent required, and the drawdown of the Equity Bridge Facility, the Company will automatically undertake the Rights Offer in order to repay the Equity Bridge Facility made available to the Company in relation to the Transaction. The terms of the Rights Offer have not been finalised and announcements will be released on SENS and published in the South African Press in due course, which will provide the terms of the Rights Offer, including the quantum of the Rights Offer, the Rights Offer price, the number of Ordinary Shares to be offered and the ratio of entitlement. A circular will be sent to Shareholders containing full details of the

Rights Offer.

5.2 In order to implement the Rights Offer the Company will need to create 1,200,000,000 additional Oceana Ordinary Shares in its authorised share capital. In order to do so, however, the Company must first convert its ordinary shares from a nominal or par value of 0.1 cent each, to no par value, as required by the Companies Act. Both of these changes will require amendments to the Memorandum of Incorporation. The required resolutions are set out in special resolutions numbers 1, 2, 3 and 4 of the resolutions recorded in the Notice of General Meeting. The JSE has approved the corresponding amendment to the details of the Company's share capital, subject to such increase and amendments being filed with the CIPC to the extent required.

5.3 Subject to the conversion of the Oceana Ordinary Shares from par value shares to shares of no par value, the Company intends to increase its authorised number of Oceana Ordinary Shares by 1,200,000,000 Oceana Ordinary Shares to 1,400,000,000 Oceana Ordinary Shares, and to place the authorised but unissued Oceana Ordinary Shares under the control of the Directors solely for the purposes of the Rights Offer.

5.4 The amount of the Rights Offer and the Rights Offer price will be determined by the Company and Standard Bank immediately prior to the Rights Offer depending on, *inter alia*, market conditions prevailing at such time. Consequently the Directors believe that it is necessary to increase the share capital by 1,200,000,000 Oceana Ordinary Shares in order to give the Company sufficient flexibility to make the Rights Offer at a price which will, in the circumstances prevailing at the time at which that price is determined, be appropriate. To the extent that the newly created Oceana Ordinary Shares are not required for purposes of the Rights Offer, the Company will propose the reduction of the number of authorised Oceana Ordinary Shares to a more customary level, as determined by the Directors, at an annual general meeting of the Company following implementation of the Rights Offer.

5.5 The Regulations require that, when the Company converts its Oceana Ordinary Shares into no par value Oceana Ordinary Shares, the Board shall prepare a report in respect of the proposed conversion which, *inter alia*, evaluates whether there are any material adverse effects of the conversion on Oceana Ordinary Shareholders. The report of the Board for this purpose is included as Annexure 9 to this Circular.

5.6 Further, if the voting power of the Oceana Ordinary Shares that are issuable as a result of the Rights Offer will be equal to or exceed 30% of the voting power of all the Oceana Ordinary Shares in issue immediately before the implementation thereof, section 41(3) of the Companies Act requires the approval of Oceana Shareholders by special resolution. This is covered in special resolution number 4 of the resolutions recorded in the Notice of General Meeting. At this stage, it is not certain whether the number of Oceana Ordinary Shares offered in terms of the Rights Offer will be at sufficiently high levels to require this special resolution, however, the special resolution is proposed in order to cover such an eventuality. Such authority will include the authority to allot and issue any Oceana Ordinary Shares in the authorised but unissued share capital of the Company to any underwriter(s) of the Rights Offer (whether or not any such underwriter is a related party to the Company (as defined for the purposes of the Listings Requirements)) and/or a person falling within the ambit of section 41(1) of the Companies Act, being a Director, future Director, prescribed officer or future prescribed officer of the Company or a person related or inter-related to the Company or related or inter-related to a Director or prescribed officer of the Company (or a nominee of any of the foregoing persons).

5.7 The Company wishes to be entitled to exclude the holders of Treasury Shares from participating in the Rights Offer and hence requires approval by the Oceana Shareholders for the Rights Offer to be structured in this manner. In terms of the Companies Act, a rights offer (as defined in section 95(1) (l)) is not required to be made to all shareholders of a company.

5.8 With regard to the Treasury Shares, if the Rights Offer proceeds in the absence of the exclusion described in paragraph 5.7 above, the subsidiaries of the Company which hold the Treasury Shares will either be required to fund their participation in the Rights Offer, or sell their rights. In the Company's view, it is more practical for the holders of Treasury Shares to rather be excluded from the Rights Offer. Each of Lucky Star Limited and the Oceana Group Share Trust, the holders of Treasury Shares, have agreed in writing by the passing of written resolutions to the decision of the Company to exclude the holders of Treasury Shares from participating in the Rights Offer, subject to the Oceana Shareholders adopting Special resolution number 5 set out in the Notice of General Meeting, thereby entitling the Company to exclude the holders of Treasury Shares from participating in the Rights Offer.

6. SUMMARISED *PRO FORMA* FINANCIAL EFFECTS RELATING TO THE TRANSACTION

The table below sets out the summarised *pro forma* financial effects of the Transaction.

This is based on the published summarised audited results of Oceana for the 12 months ended 30 September 2014, released on SENS on Thursday, 6 November 2014 and the audited results of Daybrook Group for the 12 months ended 31 December 2014.

The summarised *pro forma* financial effects have been prepared to assist Oceana Shareholders in assessing the impact of the Transaction on the Company's EPS, diluted EPS, HEPS, diluted HEPS, NAV per share and TNAV per share.

The Transaction has been accounted for in terms of IFRS 3: Business Combinations.

The summarised *pro forma* financial effects have been prepared in a manner consistent in all respects with IFRS, the accounting policies adopted by Oceana as at 30 September 2014, and the Revised SAICA Guide on *pro forma* Financial Information and the Listings Requirements of the JSE.

The Oceana Board is responsible for the compilation, contents, accuracy and presentation of the summarised *pro forma* financial effects, and for the financial information from which it has been prepared.

The summarised *pro forma* financial effects have been prepared for illustrative purposes only, and, because of their nature, will not fairly present Oceana's financial position, changes in equity, results of operations or cash flows in subsequent periods.

A simple consolidation of the historical financial information will not appropriately reflect the future prospects of the combined businesses due to, inter alia, the following factors:

- efficiencies to be derived from recent upgrades to the Daybrook Group processing plant;
- efficiencies in the optimal funding structure of the combined group;
- movements in the USD/ZAR exchange rate; and
- the ability to realise value from further synergies.

Consequently historical performance will not be an appropriate reflection of future prospects.

	Pro forma **Before the Transaction Refer note[1]**	***Pro forma*** **after the Transaction Refer note[2]**	**% Change#**	***Pro forma*** **after the Rights Offer**	**% Change#**
EPS (cents)	571.6	622.8	9.0	559.4	(2.1)
Diluted EPS (cents)	517.0	563.4	9.0	510.9	(1.2)
HEPS (cents)	565.0	616.3	9.1	553.5	(2.0)
Diluted HEPS (cents)	511.0	557.5	9.1	505.5	(1.1)
Weighted average number of shares in issue for EPS and HEPS (millions)	100.4	100.4	0.0	111.8	11.4
NAV per share (cents)	1 668.8	1 614.8	(3.2)	2 496.7	49.6
TNAV per share (cents)	1 571.7	(1 814.2)	(215.4)	(583.0)	(137.1)
Number of shares in issue for NAV per share and TNAV per share (millions)	100.5	100.5	0.0	111.9	11.3

\# Percentage change is with reference to the "Before the Transaction" column.

Notes:

1. The "Before the Transaction" financial information has been extracted from Oceana's audited results for the 12 months ended 30 September 2014, released on SENS on Thursday, 6 November 2014.
2. The *pro forma* "After the Transaction" financial information comprises the "Before the Transaction" financial information, Daybrook Group's IFRS converted results for the 12 months ended 31 December 2014 and adjustments based on the following principal assumptions:

   2.1 For the purposes of the *pro forma* financial effects only, the Transaction date is assumed to be 1 October 2013, the start date of Oceana's 2014 financial year, for the statement of comprehensive income and 30 September 2014 for the statement of financial position items. Statement of comprehensive income items have been converted to ZAR at the average exchange rate for the period 1 October 2013 to 30 September 2014 of USD 1: ZAR 10.55 and statement of financial position items at the closing rate at 30 September 2014 of USD 1: ZAR 11.28.

Overhead expenditure

2.2 Transaction costs amounting to ZAR 53 million, excluding debt commitment fees, have been expensed. These costs are to be funded out of Transaction funding.

2.3 The Put Option is accounted for as a derivative in terms of IAS 39 with gains/losses on revaluations, from the date of signature of the agreement until the earlier of exercise date or expiry of the Put Option period, being recognised through profit and loss. As a result an adjustment of ZAR 8 million relating to the gain on revaluation of the Put Option in the first financial period has been included as an adjustment to overhead expenditure. In terms of the Westbank LLC Agreement, notification of exercise of the Put Option can only be provided, at the earliest, during the second financial period following the Transaction, following which the exercise will only be effective 12 months after the date of such notification. As a result, the impact of the potential exercise has not been included in the *pro forma* financial effects. Should the Put Option be effectively exercised as described, there will be a cash outflow being the Put Option strike price of USD 31.5 million plus the Put Premium of USD 15 million (payable only if the Put Option is exercised within 3 years) as well as any unpaid distributions, while there will be a cash inflow, based on prevailing market values, from the new shareholder acquiring the 75% shareholding. Other than the gain/loss on revaluation of the Put Option, there will be no further impact on the statement of comprehensive income following the settlement under the Put Option. In the event that the Put Option is not exercised, the fair value of the Put Option liability or asset will be derecognised through profit and loss.

Joint venture and associate income

2.4 An adjustment of ZAR 1 million has been made to equity account the earnings of Westbank as a result of Daybrook Fisheries' 25% interest in Westbank.

Interest paid

2.5 Settlement of the Purchase Consideration is to be funded partially through US Funding and existing Oceana cash resources.

2.6 Debt commitment fees and raising costs on the ZAR denominated Term Funding, Equity Bridge Facility and US Funding, totalling ZAR 78 million are capitalised to the debt raised and amortised over the period of the debt, using the effective interest method. The amortised portion is included in interest paid, being ZAR 28 million.

2.7 Interest of ZAR 126 million on the ZAR denominated Term Funding is calculated at JIBAR linked rates in accordance with the underlying agreements.

2.8 Interest of ZAR 47 million on the USD denominated term loan facility raised to partially settle the Purchase Consideration, and the USD denominated working capital facility is calculated at a LIBOR linked rate in accordance with the underlying funding agreements.

2.9 Interest of ZAR 16 million on the ZAR denominated Equity Bridge Facility raised to partially settle the Purchase Consideration is calculated, until the facility is repaid out of proceeds received from the Rights Offer, at a JIBAR linked rate in accordance with the underlying funding agreements.

2.10 Elimination of interest expense of ZAR 18 million and related taxation of ZAR 7 million from the repayment of Daybrook Group's existing long and short-term borrowings.

Taxation

2.11 The applicable legislated tax rates utilised for South Africa is 28% and 40% (federal and state tax) for the US.

3. Tangible fixed assets are depreciated over their estimated remaining useful lives based on a provisional fair value exercise in terms of IFRS 3: Business Combinations, using fair values disclosed by Daybrook Group in their IFRS converted results for the year ended 31 December 2014. Intangible assets arising from the Transaction of ZAR 3,100 million have been assessed by management to comprise goodwill and customer relationships. Additional adjustments may arise from the final purchase price allocation, the nature and quantum of which are currently uncertain.

4. The effect of the new Shares issued under the Rights Offer on per Share metrics have been included for illustrative purposes only and do not reflect the issue price or terms of the Rights Offer, which will only be finalised at the time of announcing the finalisation information in relation to the Rights Offer. The proceeds from the Rights Offer are expected to be used to repay the Equity Bridge Facility, and the illustrative issuance of the new Oceana Shares has been included to provide Oceana Shareholders with a better understanding of the potential effects of the proposed capital structure on the per share accounting metrics. Other than noted above, the Rights Offer does not have any impact on the statement of comprehensive income. *Pro forma* "After the Rights Offer" comprises the *Pro forma* "After the Transaction" adjusted for the following assumption:

   4.1 New Shares issued of 11.4 million have been calculated with reference to Oceana's 30-day volume weighted average price of ZAR 105.25 as at 21 May 2015. The new Shares are assumed to be issued on 1 October 2013.

5. Transaction costs expensed amounting to ZAR 53 million, interest and transaction costs relating to the Equity Bridge Facility of ZAR 29 million and expenses of ZAR 53 million in Daybrook Group are considered to be non-recurring. These costs are included in the *pro forma* financial effects.

6. There are no other subsequent events which require adjustment to the *pro forma* financial effects.

7. DIRECTORS

7.1 Information on Directors

Executive Directors' profiles

Alethea Berenice Anne Conrad (51)

BA LLB (Rhodes)

Group Strategic Services Director

Alethea was admitted as an attorney in 1989 and practised as an attorney before joining Transnet Limited as a legal adviser in 1993. She joined Blue Continent Products in 1998, and served as commercial manager and commercial director before being appointed commercial manager of Oceana in 2001. In 2004, she was appointed group transformation manager and a member of the Oceana executive. In 2007 she was appointed to the Oceana Board. In April 2008, she was appointed managing director of Blue Continent Products' Hake Division.

Francois Paul Kuttel (46)

BAA (University of San Diego)

Chief Executive Officer

On graduation, Francois joined his family's US-based fishing operations. He returned to Africa in 1995 as managing director of Namibian Sea Products. He was chief executive officer of I&J for three years prior to being appointed to the Oceana board as chief executive officer in 2009.

Imraan Soomra (40)

BCompt (Hons) (Wits), CA(SA), PLD Harvard Business School

Group Financial Director

Imraan is an experienced chartered accountant who has worked in a diverse set of industries during the course of this career. He held the position of financial director of Netcare Limited's Hospital Division from 2010 to 2013 and was previously with MultiChoice South Africa Holdings from 2003 until 2010, as head of channels at SuperSport International as well as financial director of M-Net and SuperSport.

Non-executive Directors' profiles

Zarina Bibi Mahomed Bassa (50)

BAcc and Dip Acc (UDW), CA(SA)

Independent Non-Executive Director

Zarina sits on several boards including Kumba Iron Ore Limited, Vodacom South Africa Limited, Sun International Limited, Investec Group Limited, Investec PLC, Investec Bank Limited, Senwes, the Financial Services Board and Woolworths Holdings Limited. Zarina was executive director responsible for private banking at Absa and was a partner at Ernst & Young prior to that. Zarina was named Top Woman in Business at the Top Women in Business and Government awards in 2007 and Top Business Personality in Financial Services: Banking in 2008.

Mustaq Ahmed Brey (61)

CA(SA)

Non-executive Chairman

Mustaq qualified as a chartered accountant in 1978. He started his own practice, M Brey & Associates which later became KMMT Brey, one of the largest black auditing firms in the country. He chairs the board of directors of Life Healthcare Group Holdings Limited and is the founder member and Chief Executive Officer of Brimstone.

Peter Gerard de Beyer (59)

BBusSc (Cape Town), FASSA

Independent Non-Executive Director

Peter joined Old Mutual in 1978, was appointed deputy managing director of Old Mutual Life Assurance Company (South Africa) in 2000, and retired in November 2008. He sits on a number of boards, including Real People Investment Holdings and certain Old Mutual group subsidiary companies. Peter is a Fellow of the Actuarial Society of South Africa.

Noel Patrick Doyle (48)

FCS, CA(SA)

Non-Executive Director

Noel qualified as an accountant in Ireland in 1988 before joining Price Waterhouse in Johannesburg in 1989 where he worked for six years serving clients predominantly in the hotel and financial services sector. In 1995, he joined Southern Sun in a financial role and when he left Southern Sun in 1998 to join Tiger Brands, he was corporate financial services director.

He was appointed to Tiger Brands in 2006 and in addition to his role as chief financial officer he was responsible for IT, investor relations as well as Tiger Brand's fishing interests. Noel left Tiger Brands in 2008. After serving as chief executive officer of diversified Motor Group Bluespec Holdings for a year, Noel joined Nando's as chief executive officer of the Southern African business in 2009. He rejoined Tiger Brands in July 2012 as business executive responsible for the grains portfolio.

Saamsoodein Pather (64)

BBusSc, BCom (Hons), MBA (Cape Town)

Lead Independent Director

Since graduating from the University of Cape Town in 1973, Saamsoodein has been actively involved in investment management, which has included senior executive functions at Colonial Mutual Assurance Company, Southern Life and Real Africa Holdings. He is currently a director of Coronation Fund Managers and Lungisa Investment Holdings.

Peter Bambatha Matlare (55)

BSc (Hons), MA (Southern African Studies) (York)

Non-Executive Director

Peter joined Tiger Brands in April 2008 as chief executive officer. His career spans executive positions with the Urban Foundation, Citibank, the Chamber of Mines, the Primedia group, the South African Broadcasting Corporation and the Vodacom group. He is a past chairman of the National Association of Broadcasters, a director of the Association of Advertisers, and a founding director of the National Electronic Media Institute of South Africa.

Nomahlubi Victoria Simamane (55)

BSc (Hons) (UBS – Botswana)

Independent Non-Executive Director

Nomahlubi, the CEO of Zanusi Brand Solutions, graduated as a biochemist and worked for Unilever for 12 years and for British American Tobacco as marketing director for five years. In 1999, she was appointed managing director of BLGK Bates. Nomahlubi sits on several boards including JSE-listed Cashbuild and Foschini Group. She was the 2009 winner of the Top Businesswoman of the Year Award in the National Business Awards run by Topco Media and named the Businesswoman of the Year at the 2009 Black Business Awards run by BBQ.

Takula Jenkins Tapela (46)

BCompt (Unisa)

Non-Executive Director

Takula joined Brimstone Investment Corporation in 2005. Prior to this, he was executive assistant to the managing director at Old Mutual South Africa, having worked in Old Mutual's Corporate Finance team for two years. He has served as an executive director within the African Harvest group and worked for Delta Corporation (SAB) and the JSE's Inspectorate division.

7.2 **Information in respect of Group Company Secretary**[5]

Jillian Marais (42)

BA (LLB) and admitted attorney

Company Secretary

Jillian joined Oceana in 2011 as Group Company Secretary. Prior to this she held various legal advisory positions as well as the position of company secretary for Chevron South Africa (Pty) Limited. She is responsible for all aspects of corporate governance as well as being the principal officer of the Oceana Executive Provident Fund and a trustee of the Oceana Empowerment Trust.

7.3 **Directors' interests in Shares**

The direct and indirect beneficial interests in Oceana Ordinary Shares held by the Directors, (including Directors who resigned during the last 18 months) and their associates as at the Last Practicable Date, and as at 30 September 2014, respectively, are set out below:

	As at the Last Practicable Date		As at 30 September 2014	
Executive Directors	**Direct**	**Indirect**	**Direct**	**Indirect**
AB Conrad	500	145,600	500	145,600
FP Kuttel	–	78,000	–	78,000
I Soomra	–	62,200	–	62,200
Non-Executive Directors	**Direct**	**Indirect**	**Direct**	**Indirect**
PG de Beyer	3,000	–	3,000	–
Total	**3,500**	**285,800**	**3,500**	**285,800**

7.4 **Movements in share options of Directors during the year ended 30 September 2014**

Oceana Shares purchased and options granted to Directors are set out in the tables below.

The movement in share options of the Directors, including Directors who resigned during the last 18 months (including their associates) for the year ended 30 September 2014 are set out below:

Details of Executive Directors' Phantom Share Options:

Director	Options as at 30 September 2013	Option Price (cents)	Options granted during the year	Options exercised during the year	Exercise price (cents)	Options as at 30 September 2014	Expiry date
ABA Conrad	30 667	2 265	–	30 667	8 326	–	–
	38 000	2 959	–	12 666	8 326	25 334	11/02/2016
	33 000	3 752	–	–	–	33 000	10/02/2017
	30 000	4 477	–	–	–	30 000	17/02/2018
	39 000	6 749	–	–	–	39 000	14/02/2019
	170 667	**–**	**–**	**43 333**	**–**	**127 334**	
FP Kuttel	166 667	2 506	–	166 667	8 480	–	–
	90 666	2 959	–	45 333	8 270	45 333	11/02/2016
	119 000	3 752	–	39 667	8 270	79 333	10/02/2017
	107 000	4 477	–	–	–	107 000	17/02/2018
	129 000	6 749	–	–	–	129 000	14/02/2019
	612 333	**–**	**–**	**251 667**	**–**	**360 666**	**–**
I Soomra	180 000	8 586	–	–	–	180 000	01/07/2019
	180 000	**–**	**–**	**–**	**–**	**180 000**	**–**

5. The Group Company Secretary is not a member of the Board.

Details of Executive Directors' Share Options:

Director	Option price (cents)	Options granted during the year	Options as at 30 Sept 2014	Expiry date
Share Appreciation Rights				
ABA Conrad	8 280	16 600	16 600	11/02/2021
FP Kuttel	8 280	56 400	56 400	11/02/2021
I Soomra	8 280	22 300	22 300	11/02/2021
		95 300	**95 300**	
Performance Shares				
ABA Conrad	8 280	4 600	4 600	11/02/2017
FP Kuttel	8 280	19 700	19 700	11/02/2017
I Soomra	8 280	6 200	6 200	11/02/2017
		30 500	**30 500**	
Restricted Shares				
ABA Conrad	8 280	900	900	11/02/2017
FP Kuttel	8 280	1 900	1 900	11/02/2017
I Soomra	8 280	1 700	1 700	11/02/2017
		4 500	**4 500**	

Participants receive a payment settled in equity on vesting equal to the value of dividends paid on the vested shares during the vesting period.

7.5 Directors' interests in transactions

The Directors, including any Director who has resigned from Oceana in the last 18 months, had no material beneficial interest, whether direct or indirect, in any transaction effected by Oceana during the current or immediately preceding financial year, or in an earlier year, and which remains in any respect outstanding or unperformed.

7.6 Directors' service agreements

Executive Directors have indefinite contracts of employment in place where three months notice can be provided by either party and should the Directors be eligible for re-election via rotation, their continued directorship is dependent on re-election at the annual general meeting of the Company.

Normal retirement of Executive Directors is at age 63.

The non-executive Directors do not have fixed term employment contracts.

Non-executive Directors receive a fee for their contribution to the Board and its committees of which they are members. The Chairman is paid a Director's fee in addition to any committee fees. Furthermore the Company pays for travelling and other expenses incurred by Non-executive Directors in carrying out the business of the Company and attending Board and committee meetings. The notice period for the non-executive Directors is one month (other than the Chairman who has a two-month notice period).

8. MAJOR SHAREHOLDERS OF OCEANA

The Oceana Ordinary Shareholders (other than Directors) that are, directly and indirectly, beneficially interested in 5% or more of the Oceana Ordinary Shares, as at the Last Practicable Date are set out below:

Name of Shareholder	**Number of Shares**	**Percentage of issued share capital* (%)**
Tiger Brands	50,098,877	43.8
Brimstone	20,096,755	17.6
Oceana Empowerment Trust	13,902,935	12.2
Government Employees Pension Fund	6,702,690	5.9
	90,801,257	**79.5**

*Excluding Treasury Shares

There has been no history of any change in the controlling Shareholders and trading objects of the Company and any of its subsidiaries during the past five years.

9. FINANCIAL INFORMATION

9.1 *Pro forma* financial information

The summarised *pro forma* financial effects and *pro forma* financial information are set out in paragraph 6 and Annexure 2 of this Circular respectively. The Independent Reporting Accountant's report on the *pro forma* financial information of Oceana is attached to this Circular as Annexure 3.

9.2 Historical financial information of Daybrook Group

The consolidated historical financial information of Daybrook Group are attached to this Circular as Annexure 4. The Independent Reporting Accountant's report on the consolidated historical financial information of Daybrook Group is attached to this Circular as Annexure 5.

9.3 Working Capital

Having considered the effects of the Transaction, the Directors are of the opinion that, post the implementation of the Transaction and the Rights Offer, which is underwritten:

- the Oceana Group will, in the ordinary course of business, be able to pay its debts for a period of at least 12 months from the date of the Circular;
- the Oceana Group will be able to service the debt it has incurred as a result of the Transaction;
- the assets of the Oceana Group, fairly valued, will be in excess of its liabilities for a period of at least 12 months from the date of the Circular. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies applied in the Oceana Group's latest audited consolidated financial statements;
- the share capital and reserves of the Oceana Group will be adequate for business purposes for a period of at least 12 months from the date of the Circular; and
- the working capital of the Oceana Group will be adequate for ordinary business purposes for a period of at least 12 months from the date of the Circular.

10. LITIGATION STATEMENT

10.1 Oceana

The Directors of Oceana are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or had in the previous 12 months, a material effect on the Oceana Group's financial position.

10.2 Daybrook Group

Save for the Pending Lawsuit, the Directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or had in the previous 12 months, a material effect on the Daybrook Group's financial position.

In terms of the Merger Agreement, Daybrook Fisheries, as surviving corporation, shall remit to the selling stockholders under the Merger and the Selling Stockholders under the Stock Purchase, in their pro rata portions, any contingent funds that may become payable in future in connection with the Pending Lawsuit that has been filed by Daybrook Fisheries against BP Exploration & Production, Inc. among others. These contingent funds will, however, be reduced by all costs and expenses incurred by Daybrook Fisheries in connection with the Pending Lawsuit to the extent acting at the direction of Stockholder Representative after the Closing Date, including any taxes that will be payable by Daybrook Fisheries, OGL Holdco, or any affiliates or successors of either, to the extent arising as a result of the receipt or the distribution of the contingent funds or of the right thereto.

11. MATERIAL CHANGE

There have been no material changes in the financial or trading position of Oceana and its subsidiaries between the publication of the Oceana Group's results for FY 2014, and the Last Practicable Date, other than the information released in the Oceana Group's interim results for the six months ended 31 March 2015, released on SENS on 14 May 2015.

There have been no material changes in the financial or trading position of the Daybrook Group between the publication of the audited financial statements for the 12 months ended 31 December 2014 and the Last Practicable Date.

12. MATERIAL BORROWINGS

Details of Oceana's material borrowings and material intercompany finance are provided in Annexure 6 of this Circular.

Details of Daybrook Group's material borrowings and material intercompany finance are provided in Annexure 7 of this Circular.

13. MATERIAL CONTRACTS

13.1 Oceana

Material contracts, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of business carried on, or proposed to be carried on, during the two years preceding the date of this Circular, or entered into at any time and contains an obligation or settlement that is material to the Company or its subsidiaries at the date of this Circular, entered into by the Oceana Group are set out in Annexure 8 of this Circular.

Furthermore, none of the acquisitions entered into by the Oceana during the past three years (other than the Transaction) are considered material to the Oceana Group. As such no vendor information has been disclosed.

13.2 Daybrook Group

Material contracts, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of business carried on, or proposed to be carried on, during the two years preceding the date of this Circular, or entered into at any time and contains an obligation or settlement that is material to the Daybrook Group at the date of this Circular, entered into by the Daybrook Group are set out in Annexure 8 of this Circular.

14. SHARE CAPITAL OF OCEANA

The Company's authorised and issued share capital before and after the increase in the authorised share capital and conversion of the Oceana Ordinary Shares from par value to no par value shares referred to in paragraph 1 above, are set out below:

	ZAR'000
BEFORE THE IMPLEMENTATION OF THE INCREASE IN AUTHORISED SHARE CAPITAL AND CONVERSION OF THE OCEANA ORDINARY SHARES FROM PAR VALUE SHARES TO SHARES OF NO PAR VALUE	
Authorised share capital	
200 000 000 ordinary shares of 0.1 cent each	200
Total	**200**
Issued share capital	
119 526 157 ordinary shares of 0.1 cent each	120
Share premium	156 117
Total	**156 237**
AFTER THE IMPLEMENTATION OF THE INCREASE IN AUTHORISED SHARE CAPITAL AND CONVERSION OF THE OCEANA ORDINARY SHARES FROM PAR VALUE SHARES TO SHARES OF NO PAR VALUE	
Authorised share capital	
1 400 000 000 ordinary shares of no par value	200
Total	**200**
Issued share capital	
Stated capital – 119 526 157 ordinary shares of no par value	156 237
Total	**156 237**

15. OPINION AND RECOMMENDATION

The Board has evaluated the rationale for, and the terms and conditions of, the Transaction and believes the Transaction is compelling for strategic and financial reasons.

Given the above, the Board is of the opinion the Transaction is consistent with Oceana's strategy and will significantly enhance Oceana's Shareholder value.

Accordingly, after due consideration, the Board unanimously recommends that Oceana Shareholders vote in favour of all the resolutions necessary to approve and implement the Transaction and those matters pertaining to the implementation of the Rights Offer, as set out in the Notice of General Meeting.

All Directors with an interest in Oceana intend to vote in favour of the resolutions necessary to approve and implement the Transaction and those matters pertaining to the implementation of the Rights Offer.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names and details are provided in paragraph 7.1 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

17. EXPENSES RELATING TO THE TRANSACTION

It is estimated that the Oceana Group's expenses relating to the Transaction will amount to approximately ZAR 67 million (excluding VAT), as set out in the table below:

Nature of expense	Paid/payable to	Amount (ZAR'000)
Financial advisers, South African debt adviser and transaction sponsor to Oceana	The Standard Bank of South Africa Limited	28 600
South African legal counsel to Oceana	Webber Wentzel	5 750
	K&L Gates LLP	1 080
	Kean Miller LLP	6 000
	Haynes and Boone LLP^	1 620
United States legal counsel to Oceana	Hogan Lovells US LLP	1 688
United States financial advisers to Oceana	Antartica Advisors LLC^	7 554
United States tax advisers to Oceana	Deloitte LLP	3 408
Financial and tax due diligence advisers to Oceana	Deloitte LLP	4 943
Independent Reporting Accountant and Auditor	Deloitte Southern Africa	850
Transfer Secretaries	Computershare Investor Services	5
Namibian Sponsoring Broker	Old Mutual Investment Services (Namibia) Proprietary Limited	5
Circular Design and Printing	Ince	400
Public relations	Corporate Image Proprietary Limited	1 000
JSE – documentation inspection fees and ruling request fees	JSE Limited	41
Other associated costs (including Funders' legal fees and consultancy fees)		3 829
Total		**66 773**

^ Costs related to raising of US Funding have been capitalised to debt facilities in the *pro forma* financial effects as set out in Annexure 2. The expenses will be funded as set out in paragraph 4.6.

No preliminary costs directly relating to the Transaction were incurred during the preceding three years.

In terms of the Rights Offer, an underwriting fee of ZAR 20 million has been agreed upon between Standard Bank and Oceana, which includes an indicative fee in relation to the Standby Underwriting Agreement of ZAR 4 million.

ZAR 52 million is payable to Standard Bank by the Company in terms of the Equity Bridge Facility and Term Funding pursuant to the mandate and commitment letter issued by Standard Bank on or about 18 May 2015.

The issue price for the Rights Offer shares is still to be determined. Full details of the costs in relation to the Rights Offer (including the JSE listing fees in relation to the listing of the Rights Offer shares) will be set out in the Rights Offer circular.

18. NOTICE OF GENERAL MEETING

The General Meeting of Oceana Shareholders will be held on the 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001 at 14:00 on Wednesday, 15 July 2015 to consider, and if deemed fit, to pass, with or without modification, the resolutions required to implement the Transaction and the Rights Offer.

A notice convening such General Meeting is attached to, and forms part of this Circular. Oceana Shareholders are referred to the Notice of General Meeting for details on the resolutions to be proposed at the General Meeting and to page 8 of this Circular stipulating the action required by Oceana Shareholders for information on the procedure to be followed by Oceana Shareholders in order to exercise their votes at the General Meeting.

All of the resolutions proposed in the Notice of General Meeting are inter-conditional.

19. EXPERTS' CONSENTS

The Independent Reporting Accountant, Deloitte & Touche, whose reporting accountant's reports are included as Annexure 3 and Annexure 5 to this Circular, has given and has not, prior to publication, withdrawn its written consents to the inclusion of its reports in the form and context in which they appear.

Each of the Company's advisers, whose names appear on the cover page of this Circular, have consented in writing to act in the capacities stated and to their names appearing in the Circular, and have not withdrawn their consent prior to the publication of the Circular.

20. DISCLOSURE OF CONFLICT

Shareholders are advised that Standard Bank acts as financial advisers, South African debt advisers and transaction sponsor to Oceana in relation to the Transaction.

Standard Bank has furthermore agreed to act as bookrunner and underwriter in relation to the Rights Offer.

Shareholders are referred to paragraph 17 which sets out fees payable to Standard Bank in respect of the Transaction as well as the Rights Offer.

In its capacity as transaction sponsor, Standard Bank has confirmed to the JSE and Oceana that there is no matter that would impact on its ability to exercise reasonable care and judgement to achieve and maintain independence and objectivity in professional dealings in relation to Oceana, and that would impact on its ability to act within the Code of Conduct as set out in the Listings Requirements of the JSE.

Standard Bank has various internal procedures in place to ensure that its ability to act independently as JSE sponsor, is not compromised.

Pursuant to these internal procedures, Standard Bank has a Compliance Control Room function that identifies and manages conflicts risks and ensures that strict "Chinese Walls" are maintained to ensure that as JSE sponsor, it is able to act independently from other divisions within the bank. Standard Bank also enforces and implements physical and logical access restrictions to information, which is limited to deal teams for whom the information is relevant, for the purpose of fulfilling the client mandate.

21. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Oceana, 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001 and at The Standard Bank of South Africa Limited, 30 Baker Street, Rosebank, 2196, during normal business hours (excluding Saturdays, Sundays and South African public holidays) from the date of this Circular up to and including Wednesday, 15 July 2015:

21.1 this Circular;

21.2 the Merger Agreement, as amended;

21.3 the Memorandum of Incorporation of Oceana and each of its major subsidiaries;

21.4 the Independent Reporting Accountant's report on the *pro forma* financial information of Oceana;

21.5 the Independent Reporting Accountant's report on the consolidated historical financial information of Daybrook Group;

21.6 the irrevocable support and undertakings referred to in paragraph 3.3 of this Circular;

21.7 the experts' consents referred to in paragraph 19 of this Circular;

21.8 the material contracts referred to in paragraph 13 and Annexure 8 of this Circular. Further to a dispensation provided by the JSE in terms of paragraph 6.18 of the Listings Requirements, the Fish Supply Agreement will not be available for inspection;

21.9 the Oceana Group audited consolidated financial statements for FY 2014, FY 2013 and FY 2012;

21.10 the unaudited interim results for Oceana for the six months ended 31 March 2015;

21.11 the historical financial information of the Daybrook Group for FY 2014, FY 2013 and FY 2012; and

21.12 the report of the Board of Directors in terms of regulation 31(7) and 31(8) of the Regulations, as set out in Annexure 9 of this Circular.

Shareholders are advised that the Standard Bank commitment letter relating to the Equity Bridge Facility and the Term Funding will not lie open for inspection. It is expected that this letter will be replaced by the final funding agreements with the syndicated parties (as detailed under the Executive Summary of the Circular), on or about 3 July 2015, which final funding agreements will be available for inspection from such date.

In the event that the intended syndication is not concluded as aforesaid, the Standard Bank commitment letter in its entirety will be available for inspection by no later than 8 July 2015.

An announcement providing Shareholders with an update in relation to the Standard Bank commitment letter and the final funding agreements will be released on SENS by no later than 8 July 2015.

Signed at Cape Town by and/or on behalf of Oceana in terms of a resolution of the Directors.

By order of the Board

FP Kuttel
Chief Executive Officer

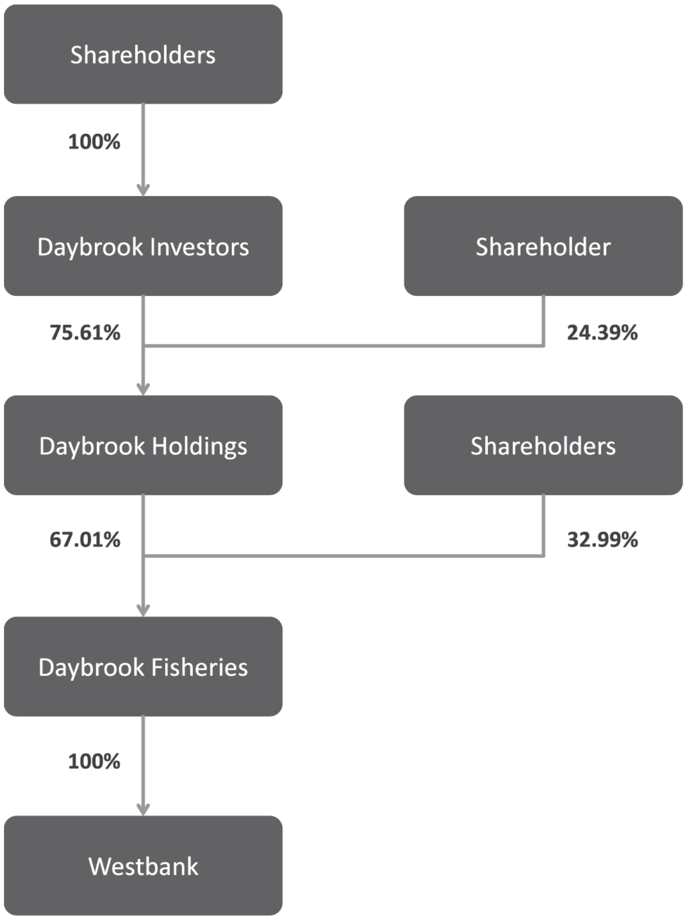
15 June 2015

Registered office:

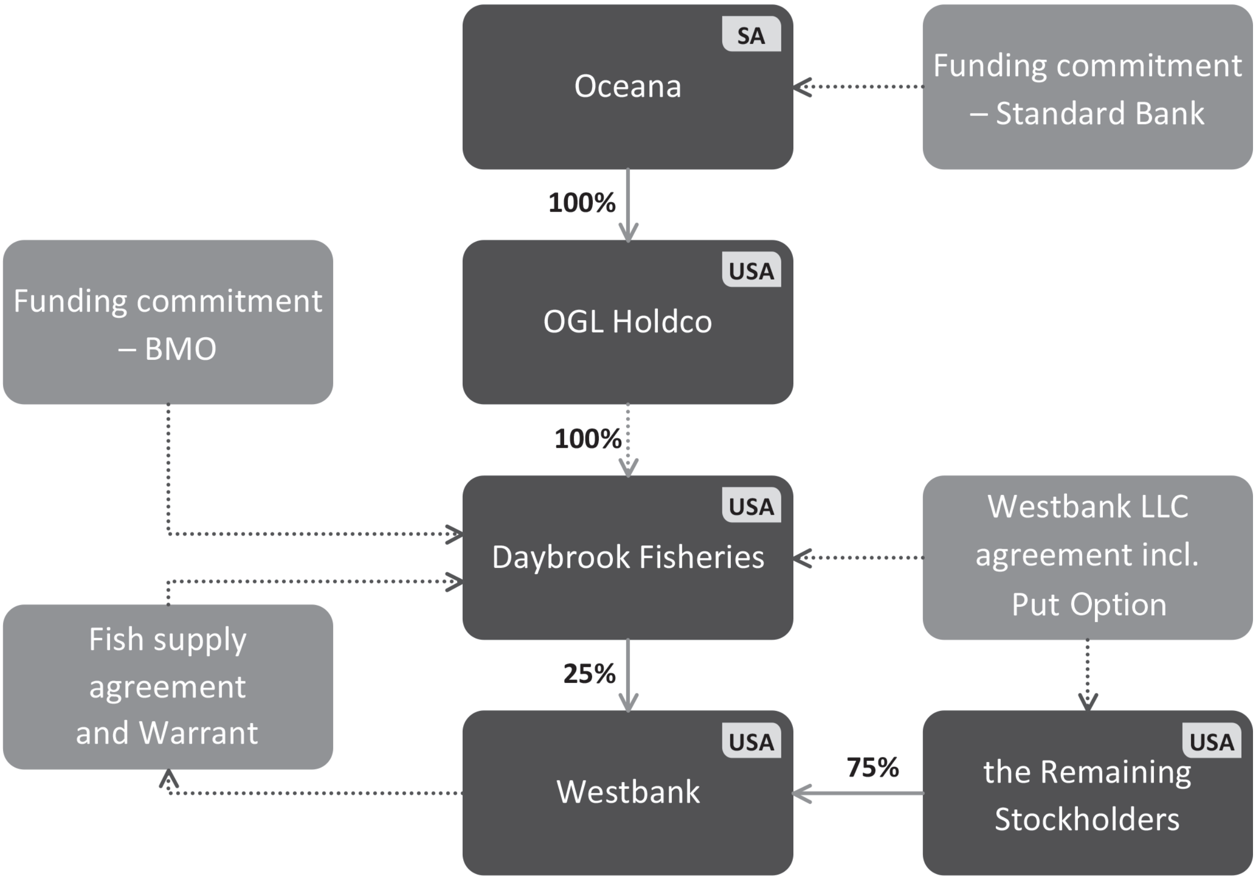
9th Floor, Oceana House
25 Jan Smuts Street
Foreshore
Cape Town, 8001
South Africa
(PO Box 7206, Roggebaai, 8012)

TRANSACTION AND SUMMARISED GROUP STRUCTURE

Before the Transaction



After the Transaction



PRO FORMA FINANCIAL INFORMATION OF OCEANA

The definitions and interpretation commencing on page 11 of this Circular apply mutatis mutandis to this Annexure 2 to the Circular.

The *pro forma* statement of financial position and statement of comprehensive income have been prepared for illustrative purposes only and, because of their nature, may not fairly present the Company's financial position, changes in equity, results of operations or cash flows, nor the effect and impact of the Transaction going forward.

A simple consolidation of the historical financial information will not appropriately reflect the future prospects of the combined businesses due to, inter alia, the following factors:

- efficiencies to be derived from recent upgrades to the Daybrook Group processing plant;
- efficiencies in the optimal funding structure of the combined group;
- movements in the USD/ZAR exchange rate; and
- the ability to realise value from further synergies.

Consequently historical performance will not be an appropriate reflection of future prospects.

The Oceana Board is responsible for the compilation, contents, accuracy and presentation of the summarised *pro forma* financial effects, and for the financial information from which it has been prepared.

The *pro forma* consolidated statement of financial position and the *pro forma* consolidated statement of comprehensive income are presented in a manner consistent in all respects with IFRS, the Revised SAICA Guide on *Pro Forma* Financial Information and the basis on which the historical financial information has been prepared in terms of accounting policies of the Company. The Transaction has been accounted for in terms of IFRS 3: Business Combinations.

The *pro forma* statement of financial position and statement of comprehensive income as set out below should be read in conjunction with the Independent Reporting Accountants' report set out in Annexure 3 to this Circular.

Such report is included solely to comply with the Listings Requirements. The rules and regulations related to the preparation of *pro forma* financial information in other jurisdictions may vary significantly from the requirements applicable in South Africa.

The *pro forma* statement of financial position below presents the effects of the Transaction on the published summarised audited results for the 12 months ended 30 September 2014 on the assumption that the Transaction was effective 30 September 2014.

The *pro forma* statement of comprehensive income below presents the effects of the Transaction on the published summarised audited results for the 12 months ended 30 September 2014, on the assumption that the Transaction was effective 1 October 2013.

Pro forma statement of comprehensive income
30 September 2014

	Before the Transaction (Note 1) ZARm	Daybrook Group (Note 2) ZARm	De-consolidation of Westbank (Note 2 – 3) ZARm	Restructuring adjustments (Note 4) ZARm	Transaction and consolidation (Note 6 – 7) ZARm	*Pro forma* After the Transaction (Note 5) ZARm	Rights Offer (Note 9) ZARm	*Pro forma* After the Rights Offer ZARm
Revenue	5 039	1 309	–	–	–	6 348	–	6 348
Cost of sales	(3 063)	(659)	(2)	–	–	(3 724)	–	(3 724)
Gross profit	**1 976**	**650**	**(2)**	**–**	**–**	**2 624**	**–**	**2 624**
Sales and distribution expenditure	(500)	(198)	–	–	–	(698)	–	(698)
Marketing expenditure	(58)	–	–	–	–	(58)	–	(58)
Net foreign exchange gain	37	–	–	–	–	37	–	37
Overhead expenditure	(599)	(69)	–	–	(45) (Note 7.1 – 7.2)	(713)	–	(713)
Operating profit before joint venture income	**856**	**383**	**(2)**	**–**	**(45)**	**1 192**	**–**	**1 192**
Joint venture and associate income	24	–	–	–	1 (Note 7.3)	25	–	25
Abnormal items	–	10	–	–	–	10	–	10
Operating profit	**880**	**393**	**(2)**	**–**	**(44)**	**1 227**	**–**	**1 227**
Investment income	13	1	–	–	–	14	–	14
Interest paid	(17)	(18)	–	18 (Note 7.9)	(217) (Note 7.4 – 7.8)	(234)	–	(234)

	Before the Transaction (Note 1) ZARm	Daybrook Group (Note 2) ZARm	De-consolidation of Westbank (Note 2 – 3) ZARm	Restructuring adjustments (Note 4) ZARm	Transaction and consolidation (Note 6 – 7) ZARm	*Pro forma* After the Transaction (Note 5) ZARm	Rights Offer (Note 9) ZARm	*Pro forma* After the Rights Offer ZARm
Profit before taxation	**876**	**376**	**(2)**	**18**	**(261)**	**1 007**	**–**	**1 007**
Taxation	(267)	(131)	–	(7) (Note 7.9)	59 (Note 7.10)	(346)	–	(346)
Profit after taxation	**609**	**245**	**(2)**	**11**	**(202)**	**661**	**–**	**661**
Other comprehensive income								
Movement on foreign currency translation reserve	6	–	–	–	132	138	–	138
Movement on cash flow hedging reserve	(7)	(4)	–	–	–	(11)	–	(11)
Other comprehensive income, net of taxation	**(1)**	**(4)**	**–**	**–**	**132**	**127**	**–**	**127**
Total comprehensive income for the year	**608**	**241**	**(2)**	**11**	**(70)**	**788**	**–**	**788**
Profit after taxation attributable to:	**609**	**245**	**(2)**	**11**	**(202)**	**661**	**–**	**661**
Shareholders of Oceana	574	124	(2)	11	(81)	626	–	626
Non-controlling interests	35	121	–	–	(121) (Note 7.11)	35	–	35
Total comprehensive income attributable to:	**608**	**241**	**(2)**	**11**	**(70)**	**788**	**–**	**788**
Shareholders of Oceana Group Limited	573	122	(2)	11	49	753	–	753
Non-controlling interests	35	119	–	–	(119) (Note 7.11)	35	–	35

	Before the Transaction (Note 1) ZARm	Daybrook Group (Note 2) ZARm	De-consolidation of Westbank (Note 2 – 3) ZARm	Restructuring adjustments (Note 4) ZARm	Transaction and consolidation (Note 6 – 7) ZARm	*Pro forma* After the Transaction (Note 5) ZARm	Rights Offer (Note 9) ZARm	*Pro forma* After the Rights Offer ZARm
Profit after tax attributable to shareholders of Oceana Group Limited	574	124	(2)	11	(81)	626	–	626
Basic earnings	**574**	**124**	**(2)**	**11**	**(81)**	**626**	**–**	**626**
Adjusted for:								
Compensation from third party for property, plant and equipment impaired	(11)	–	–	–	–	(11)	–	(11)
Headline earnings adjustments – joint ventures	2	–	–	–	–	2	–	2
Total tax effect of adjustments	3	–	–	–	–	3	–	3
Headline earnings for the year	**568**	**124**	**(2)**	**11**	**(81)**	**620**	**–**	**620**

	Before the Transaction (Note 1) ZARm	Daybrook Group (Note 2) ZARm	De-consolidation of Westbank (Note 2 – 3) ZARm	Restructuring adjustments (Note 4) ZARm	Transaction and consolidation (Note 6 – 7) ZARm	*Pro forma* After the Transaction (Note 5) ZARm	% change	Rights Offer (Note 9) ZARm	*Pro forma* After the Rights Offer ZARm	% change
Earnings per share (cents)	571.6	123.6	(2.3)	10.5	(80.6)	622.8	9.0	(63.4)	559.4	(2.1)
Diluted earnings per share (cents)	517.0	111.8	(2.0)	9.5	(72.9)	563.4	9.0	(52.5)	510.9	(1.2)
Headline earnings per share (cents)	565.0	123.7	(2.3)	10.5	(80.6)	616.3	9.1	(62.8)	553.5	(2.0)
Diluted headline earnings per share (cents)	511.0	111.9	(2.0)	9.5	(72.9)	557.5	9.1	(52.0)	505.5	(1.1)
Net asset value per share (cents)	1 668.8	615.4	(106.3)	–	(563.1)	1 614.8	(3.2)	881.9	2 496.7	49.6
Tangible net asset value per share (cents)	1 571.7	615.4	(106.3)	–	(3 895.0)	(1 814.2)	(215.4)	1 231.2	(583.0)	(137.1)
Number of shares in issue (millions)	100.5	–	–	–	–	100.5	–	11.4 (Note 9.1)	111.9	11.3
Weighted average number of shares in issue (millions)	100.4	–	–	–	–	100.4	–	11.4 (Note 9.1)	111.8	11.4

Notes:

1. The "Before the Transaction" financial information has been extracted from Oceana's audited annual Group results for the year ended 30 September 2014, released on SENS on Thursday, 6 November 2014.
2. The financial information has been extracted from Daybrook Group's IFRS converted audited annual results for the year ended 31 December 2014. The results of Daybrook Group have been converted to ZAR at the average exchange rate for the period 1 October 2013 to 30 September 2014 of USD 1: ZAR 10.55 (Source: Bloomberg)
3. The results of Westbank are de-consolidated as it is deemed an associate of Daybrook and is equity accounted in terms of IAS 28: Investment in Associates and Joint Ventures
4. Restructuring adjustments relate to the pre-Transaction repayment of Daybrook Group's long-term and short-term borrowings owing to the National Oceanic and Atmospheric Administration (NOAA).
5. The "*Pro forma* after the Transaction" financial information assumes the Transaction to be effective 1 October 2013.
6. The Transaction has been accounted for in terms of IFRS 3: Business Combinations.
7. "Transaction and Consolidation" adjustments include:

Overhead expenditure

7.1 Transaction costs amounting to ZAR 53 million, excluding debt commitment fees, have been expensed. These costs are to be funded out of Transaction funding.

7.2 The Put Option between Daybrook Fisheries and the Remaining Stockholders is accounted for as a derivative in terms of IAS 39 with gains/losses on revaluations, from the date of signature of the Merger Agreement until the earlier of exercise date or expiry of the Put Option period, being recognised through profit and loss. As a result an adjustment of ZAR 8 million relating to the gain on revaluation of the Put Option in the first financial period has been included as an adjustment to overhead expenditure.

In terms of the Westbank LLC Agreement, notification of exercise of the Put Option can only be provided, at the earliest, during the second financial period following the Transaction, following which the exercise will only be effective 12 months after the date of such notification. As a result, the impact of the potential exercise has not been included in these *pro forma* financial effects. Should the Put Option be effectively exercised as described, there will be a cash outflow being the put strike price of USD 31.5 million plus the Put Premium of USD 15 million (payable only if the Put Option is exercised within 3 years) as well as any unpaid distributions, while there will be a cash inflow, based on prevailing market values, from the new shareholder acquiring the 75% shareholding. Other than the gain/loss on revaluation of the Put Option, there will be no further impact on the statement of comprehensive income following the settlement under the Put Option. In the event that the Put Option is not exercised, the fair value of the Put Option asset or liability will be derecognised through profit and loss.

Joint venture and associate income

7.3 An adjustment of ZAR 1 million has been made to equity account the earnings of Westbank as a result of Daybrook's 25% interest in Westbank.

Interest paid

7.4 Settlement of the Purchase Consideration is to be funded partially through US funding and existing Oceana cash resources. Shareholders are referred to paragraphs 4 and 4.6 of the Circular which sets out the full details of the Transaction and the Funding arrangements.

7.5 Debt commitment fees and raising costs on the ZAR denominated Term Funding, Equity Bridge Facility and US Funding, totalling ZAR 78 million are capitalised to the debt raised and amortised over the period of the debt, using the effective interest method. The amortised portion is included in interest paid, being ZAR 28 million.

7.6 Interest of ZAR 126 million on the ZAR denominated Term Funding is calculated at JIBAR linked rates in accordance with the underlying agreements.

7.7 Interest of ZAR 47 million on the USD denominated term loan facility raised to partially settle the Purchase Consideration, and the USD denominated working capital facility is calculated at a LIBOR linked rate in accordance with the underlying funding agreements.

7.8 Interest of ZAR 16 million on the ZAR denominated Equity Bridge Facility raised to partially settle the Purchase Consideration is calculated, until the facility is repaid out of proceeds received from the Rights Offer, at a JIBAR linked rate in accordance with the underlying funding agreements

7.9 Elimination of interest expense of ZAR 18 million and related taxation of ZAR 7 million from the repayment of Daybrook Group's existing long and short-term borrowings.

Taxation

7.10 The applicable legislated tax rates utilised for South Africa is 28% and 40% (federal and state tax) for the United States.

Non-controlling interests

7.11 Non-controlling interest share of profit after taxation of ZAR 121 million and total comprehensive income of ZAR 119 million has been allocated to Shareholders of Oceana Group Limited as the non-controlling interests in Daybrook Group will be acquired in the Transaction.

8. Tangible fixed assets are depreciated over their estimated remaining useful lives based on a provisional fair value exercise in terms of IFRS 3: Business Combinations, using fair values disclosed by Daybrook Group in their annual audited results for the year ended 31 December 2014. Intangible assets arising from the Transaction of ZAR 3,100 million have been assessed by management to comprise goodwill and customer relationships. The majority of the excess of the Purchase Consideration over the net asset value of Daybrook Fisheries comprises goodwill arising from the value ascribed to the superior fish oil yield from Gulf Menhaden fish

when compared to a global average yield. The remaining amount is considered to comprise customer relationships, however as a value for the customer relationship is not currently factually supportable nor is it considered to hold material value based on preliminary assessments, a value has not been ascribed. Accordingly there is no impact on the Statement of Comprehensive Income. Additional adjustments may arise from the final purchase price allocation, the nature and quantum of which are currently uncertain.

Rights Offer

9. The effect of the new shares issued under the Rights Offer on per share metrics have been included for illustrative purposes only and do not reflect the issue price or terms of the Rights Offer, both of which will only be finalised at the time of the Rights Offer. The proceeds from the Rights Offer is expected to be used to repay the Equity Bridge Facility, and the illustrative issuance of the new shares has been included to provide Shareholders with a better understanding of the potential effects of the proposed capital structure, other than noted above. The Rights Offer does not have any impact on the Statement of Comprehensive Income. "Rights Offer" adjustments include:

9.1 New shares issued under the Rights Offer of 11.4 million has been calculated with reference to Oceana's 30-day volume weighted average price of ZAR 105.25 as at 21 May 2015 (Source: Bloomberg).

10. Transaction costs expensed amounting to ZAR 53 million, interest and transaction costs relating to the Equity Bridge Facility of ZAR 29 million and expenses of ZAR 53 million in Daybrook Group are considered to be non-recurring. These costs are included in the *pro forma* financial effects.

11. The effect of the Fish Supply Agreement on the *pro forma* financial effects are not considered significant as assessed by management and consequently have not been included.

12. There are no other subsequent events which require adjustment to the *pro forma* financial effects.

Pro forma statement of financial position
At 30 September 2014

	Before the Transaction (Note 1) ZARm	Daybrook Group (Note 2) ZARm	De-consolidation of Westbank (Note 2 – 3) ZARm	Restructuring adjustments (Note 4) ZARm	Transaction and consolidation (Note 6 – 7) ZARm	*Pro forma* after the Transaction (Note 5) ZARm	Rights Offer ZARm	*Pro forma* after the Rights Offer ZARm
ASSETS								
Non-current assets	**860**	**828**	**(150)**	**–**	**3 342**	**4 880**	**–**	**4 880**
Property, plant and equipment	512	828	(195)	–	–	1 145	–	1 145
Goodwill	10	–	–	–	3 269	3 279	–	3 279
					(Note 7.1 – 7.2)			
Trademark	9	–	–	–	–	9	–	9
Fishing rights	67	–	–	–	–	67	–	67
Computer software	12	–	–	–	–	12	–	12
Deferred taxation	24	–	–	–	–	24	–	24
Investments and loans	114	–	–	–	–	114	–	114
Interest in associates and joint ventures	112	–	45	–	73	230	–	230
					(Note 7.3)			
Current assets	**2 115**	**1 284**	**44**	**(471)**	**242**	**3 214**	**(29)**	**3 185**
Inventories	839	268	–	–	–	1 107	–	1 107
Accounts receivable	900	102	–	–	–	1 002	–	1 002
Taxation – asset	32	–	–	–	–	32	–	32
Amounts owing by associates and joint ventures	–	–	44	–	–	44	–	44
Cash and cash equivalents	344	914	–	(471)	242	1 029	(29)	1 000
				(Note 7.4, 7.12)	(Note 7.5 7.6)		(Note 9.1)	
Total assets	**2 975**	**2 112**	**(106)**	**(471)**	**3 584**	**8 094**	**(29)**	**8 065**

	Before the Transaction (Note 1) ZARm	Daybrook Group (Note 2) ZARm	De-consolidation of Westbank (Note 2 – 3) ZARm	Restructuring adjustments (Note 4) ZARm	Transaction and consolidation (Note 6 – 7) ZARm	*Pro forma* after the Transaction (Note 5) ZARm	Rights Offer ZARm	*Pro forma* after the Rights Offer ZARm
EQUITY AND LIABILITIES								
Capital and reserves	**1 747**	**1 246**	**(107)**	**–**	**(1 193)**	**1 693**	**1 171**	**2 864**
Share capital and premium	35	41	–	–	(41) (Note 7.7)	35	1 171 (Note 9.1 – 9.2)	1 206
Foreign currency translation reserve	12	–	–	–	–	12	–	12
Hedge reserve	2	(2)	–	–	2 (Note 7.7)	2	–	2
Share-based payment reserve	65	–	–	–	–	65	–	65
Distributable reserves	1 563	579	(107)	–	(526) (Note 7.7 – 7.8)	1 509	–	1 509
Interest of own shareholders	**1 677**	**618**	**(107)**	**–**	**(565)**	**1 623**	**1 171**	**2 794**
Non-controlling interests	70	628	–	–	(628) (Note 7.9)	70	–	70

	Before the Transaction (Note 1) ZARm	Daybrook Group (Note 2) ZARm	De-consolidation of Westbank (Note 2 – 3) ZARm	Restructuring adjustments (Note 4) ZARm	Transaction and consolidation (Note 6 – 7) ZARm	*Pro forma* after the Transaction (Note 5) ZARm	Rights Offer ZARm	*Pro forma* after the Rights Offer ZARm
Non-current liabilities	**439**	**757**	**(2)**	**(460)**	**3 318**	**4 052**	**–**	**4 052**
Liability for share based payment	81	–	–	–	–	81	–	81
Deferred compensation plan	–	85	–	–	–	85	–	85
Long-term debt	300	324	–	(324) (Note 7.10)	3 149 (Note 7.11 – 7.12)	3 449	–	3 449
Derivative liability	–	–	–	–	169 (Note 7.13)	169	–	169
Deferred taxation liability	58	348	(2)	(136) (Note 7.14)	–	268	–	268
Current liabilities	**789**	**109**	**3**	**(11)**	**1 459**	**2 349**	**(1 200)**	**1 149**
Accounts payable	763	79	–	–	–	842	–	842
Provisions	9	–	–	–	–	9	–	9
Taxation	17	19	3	–	–	39	–	39
Short-term portion of long-term debt	–	11	–	(11) (Note 7.10)	1 459 (Note 7.11 – 7.12)	1 459	(1 200) (Note 9.2)	259
Total equity and liabilities	**2 975**	**2 112**	**(106)**	**(471)**	**3 584**	**8 094**	**(29)**	**8 065**

Notes:

1. The "Before the Transaction" financial information has been extracted from Oceana's audited annual Group results for the year ended 30 September 2014, released on SENS on Thursday, 6 November 2014.
2. The financial information has been extracted from Daybrook Group's IFRS converted audited annual results for the year ended 31 December 2014. The results of Daybrook Group have been converted to Rand at the exchange rate as at 30 September 2014 of USD 1: ZAR 11.28 (Source: Bloomberg)
3. The results of Westbank are de-consolidated as it is deemed an associate of Daybrook Group and is equity accounted in terms of IAS 28: Investments in Associates and Joint Ventures.
4. Restructuring adjustments relate to the pre-Transaction repayment of Daybrook Group's long-term and short-term borrowings owing to the National Oceanic and Atmospheric Administration (NOAA).
5. The "*Pro forma* after the Transaction" financial information assumes the Transaction to be effective 30 September 2014.
6. The Transaction has been accounted for in terms of IFRS 3: Business Combinations.
7. "Transaction and Consolidation" adjustments include:

Intangibles

7.1 Intangible assets arising from the Transaction of ZAR 3,100 million have been assessed by management to comprise goodwill and customer relationships. Based on management's provisional purchase price allocation exercise, the majority of the excess of the Purchase Consideration over the net asset value of Daybrook Fisheries comprises goodwill arising from the value ascribed to the superior fish oil yield from Gulf Menhaden fish when compared to a global average yield. The remaining amount is considered to comprise customer relationships, however as a value for the customer relationship is not currently factually supportable nor is it considered to hold material value based on preliminary assessments, a value has not been ascribed. Additional adjustments may arise from the final purchase price allocation, the nature and quantum of which are currently uncertain. After initial recognition, goodwill is measured at cost less any accumulated impairment losses and is not amortised but tested for impairment at every financial year-end or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

7.2 Adjustment of ZAR 169 million in additional goodwill relating to the initial recognition of the fair value of the Put Option between Daybrook Fisheries and the Remaining Stockholders. The fair value of the Put Option is deemed to form part of the total consideration paid for the Transaction.

Interest in subsidiaries, joint ventures, and associates

7.3 Recognition of Daybrook Group's 25% interest in Westbank at fair value and equity accounted for in terms of IAS 28: Investments in Associates and Joint Ventures

Cash and cash equivalents

7.4 Cash adjustment amounting to ZAR 471 million resulting from repayment of the NOAA borrowings and related taxation.

7.5 Cash adjustment amounting to ZAR 213 million resulting from working capital facilities raised has been included in cash and cash equivalents.

7.6 Cash adjustment amounting to ZAR 29 million to fund estimated Rights Offer costs has been raised from term facilities and included in cash and cash equivalents.

Capital and reserves

7.7 The at-acquisition net asset value (equity) of Daybrook Group is eliminated upon consolidation.

7.8 Once off transaction costs, excluding debt commitment fees and raising costs, are estimated at ZAR 54 million and have been expensed. These costs are to be funded out of Transaction funding. These costs are different to the costs expensed per the statement of comprehensive income due to the different exchange rate assumption used for the statement of financial position.

Non-controlling interests

7.9 Non-controlling interests of ZAR 628 million in Daybrook Group have been eliminated as they will be acquired in the Transaction.

Non-current and current liabilities

7.10 Adjustment of ZAR 335 million relating to the repayment of long and short-term borrowings owing to the NOAA.

7.11 Rand-denominated term funding of ZAR 1,817 million, to refinance an existing short-term facility drawn down to fund the Group's working capital commitments, and USD-denominated debt of ZAR 1,467 million and an Equity Bridge Facility of ZAR 1,200 million raised to partially settle the Purchase Consideration. Additional Rand-denominated working capital facilities of ZAR 100 million and USD-denominated working capital facilities of ZAR 112 million will also be raised.

7.12 Debt commitment fees totalling ZAR 88 million have been capitalised.

Derivative liability

7.13 Initial recognition of the Put Option liability amounting to ZAR 169 million relating to the Put Option between Daybrook Fisheries and the Remaining Stockholders.

In terms of the Westbank LLC Agreement, notification of exercise of the Put Option can only be provided, at the earliest, during the second financial period following the Transaction, following which the exercise will only be effective 12 months after the date of such notification. As a result, the impact of the potential exercise has not been included in these *pro forma* financial effects. Should the Put Option be effectively exercised as described, there will be a cash outflow being the Put Option strike price of USD 31.5 million plus the Put Premium of USD 15 million (payable only if the Put Option is exercised within 3 years) as well as any unpaid distributions, while there will be a cash inflow, based on prevailing market values, from the new shareholder acquiring the 75% shareholding. When the Put Option is exercised the fair value of the Put Option liability will be derecognised from the statement of financial position and a corresponding entry will be made to reflect the cash payment. In the event that the Put Option is not exercised the fair value of the Put Option liability will be derecognised through profit and loss.

Deferred taxation liability

7.14 Adjustment of ZAR 136 million relating to the payment of an estimated tax liability arising from the withdrawal of contributions to the Capital Construction Fund (CCF).

8. The Transaction date fair values identified are provisional and are subject to retrospective adjustment to reflect new information obtained about facts and circumstances that existed as of the Transaction date that if known, would have affected the measurement of amounts recognised at that date. The measurement period will not exceed one year from the Transaction date, in accordance with IFRS 3: Business Combinations.

Rights Offer

9. The effect of the new shares issued under the Rights Offer has been included for illustrative purposes only and does not reflect the issue price or terms of the Rights Offer, both of which will only be finalised at the time of the Rights Offer. The proceeds from the Rights Offer are expected to be used to repay the Equity Bridge Facility, and the illustrative issuance of the new shares has been included to provide shareholders with a better understanding of the potential effects of the proposed capital structure. "Rights Offer" adjustments include:

9.1 Estimated transaction costs of ZAR 29 million have been paid from cash raised from Rand-denominated term facilities and have been debited to the Share capital and premium account.

9.2 The Equity Bridge Facility is expected to be repaid with proceeds from the Rights Offer.

10. All adjustments have an ongoing effect except for the transaction costs expensed of ZAR 54 million and estimated Rights Offer transaction costs of ZAR 29 million.

11. There are no other subsequent events which require adjustment to the *pro forma* financial effects.

INDEPENDENT REPORTING ACCOUNTANT'S REASONABLE ASSURANCE REPORT ON COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION

"The Directors
Oceana Group Limited
9th Floor Oceana House
25 Jan Smuts Street
Foreshore, Cape Town
8001

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Oceana Group Limited by the directors. The *pro forma* financial information, as set out in paragraph 6 and Annexure 2 of the circular ("the circular"), to be dated on or about 12 June 2015, consists of the statement of financial position and statement of comprehensive income and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in paragraph 4 of the circular, on the company's financial position as at 30 September 2014, and the company's financial performance for the period then ended, as if the corporate action or event had taken place at 1 October 2013, being the commencement date of the financial period for the purposes of the statement of comprehensive income and at 30 September 2014, being the last day of the financial period for the purposes of the statement of financial position. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's financial statements for the year ended 30 September 2014, on which an auditor's report was issued on 6 November 2014.

Directors' Responsibility for the *Pro Forma* Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 6 and Annexure 2 of the circular.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2014 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 6 and Annexure 2 of the circular.

Deloitte & Touche
Registered Auditor

Per C Ringwood
Partner
9 June 2015

1st Floor, The Square
Cape Quarter
27 Somerset Road
Green Point
Cape Town
8005

National Executive: *LL Bam Chief Executive, *AE Swiegers Chief Operating Officer, *GM Pinnock Audit, DL Kennedy Risk Advisory, *NB Kader Tax, TP Pillay Consulting, *K Black Clients & Industries, *JK Mazzocco Talent & Transformation, *MJ Jarvis Finance, *MJ Jordan Strategy, S Gwala Managed Services, *TJ Brown Chairman of the Board, *MJ Comber Deputy Chairman of the Board

A full list of partners and directors is available on request *Partner and Registered Auditor

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited"

HISTORICAL INFORMATION OF DAYBROOK GROUP

1. INTRODUCTION

The historical information of Daybrook Group as set out below presents the consolidated financial results of Daybrook Investors comprising Daybrook, Daybrook Fisheries and Westbank for the three years ended 31 December 2014, 2013 and 2012 which have been audited and reviewed by Deloitte & Touche.

Daybrook Investors was incorporated in the United States of America in January of 1990.

Registered office and domicile:

161 Madison Avenue
POB 1931
Morristown
NJ 07962

The presentation of the historical financial information of Daybrook Group is the responsibility of the board of directors of Oceana.

2. COMMENTARY

Fishmeal and fish oil product markets continue to enjoy excellent business fundamentals with a strong correlation to the ongoing growth in aquaculture. Population growth coupled with the worldwide economic recovery in general and expanding personal disposable income in emerging markets are strong drivers for increased demand for farmed fish and other products (such as pork and pet food products) containing fishmeal and Omega-3-rich fish oil. Emphasis on quality assurance and stringent standards for producing higher protein levels with high digestibility and freshness play a pivotal role in positioning Daybrook's products to quality conscious end-use markets. The dietary importance of marine-sourced long chain Omega-3 fatty acids for good health and a number of therapeutic benefits offers encouraging new avenues for commercial development in dietary supplements as well as food and pharmaceutical products.

2012: While end-use markets for all product lines remained fundamentally sound during 2012 as prices for fishmeal and fish oil attained historic highs, overall financial performance was disappointing trailing prior year's results. Hurricane Isaac's two-week shut-down accounted for a considerable portion of the year-over-year variance with the balance being explained by the imposition of BP Oil Spill related vessel restrictions, and inadequate fish oil production due to poor yields caused by the spill.

2013: Historically high prices for all product-lines, the recovery of fish oil yields, following the BP Oil spill, from the decimated levels of the prior two years and successfully expanded export marketing programs were the key drivers for attaining outstanding results.

2014: The key drivers for the impressive level of profitability were continued positive supply and demand fundamentals for product markets; and a large 2013 inventory carry-over for fishmeal and fish oil, which enabled the company to be well positioned for entering forward sales. Volume growth was particularly evident in fish oil shipments which benefited from 2013's recovery of fish oil yields.

3. BASIS OF PREPARATION

The group financial statements are prepared in accordance with the going-concern and historical cost basis except where stated otherwise. The presentation and functional currency of the group financial statements is the United States Dollar (US Dollar). All financial information presented is rounded to the nearest thousand, unless otherwise indicated.

4. STATEMENT OF COMPLIANCE

These group consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

5. BASIS OF CONSOLIDATION

The group financial statements comprise the company and entities controlled by the company.

Control is achieved when the company has power over the investee, is exposed, or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- the size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Changes in the group's ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the group's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

Transactions in foreign currencies are translated into the functional currency at exchange rates prevailing at the date of the transaction.

Subsequent measurement

Monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction, whilst assets carried at fair value are translated at the exchange rate when the fair value was determined.

Exchange differences on monetary items are recognised in the statement of comprehensive income when they arise.

6. FOREIGN CURRENCY TRANSLATION

The financial results of entities in the group are accounted for in its functional currency.

Translation of foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency at exchange rates prevailing at the date of the transaction.

Subsequent measurement

Monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction, whilst assets carried at fair value are translated at the exchange rate when the fair value was determined.

Exchange differences on monetary items are recognised in the statement of comprehensive income when they arise.

7. REVENUE

Revenue comprises the selling value of goods delivered during the year after deducting normal discounts and rebates. In the determination of revenue, transactions within the group are excluded. All of the group's sales are made pursuant to contracts with major customers which specify among other things, the quantity and price of the product being sold, product specifications, shipping dates and shipping destinations.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have transferred to the buyer i.e. when title is transferred to the customer at the time of shipping, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Shipping and handling

Amount billed to customers for shipping and handling are included in sales and the related costs are included in cost of sales.

Interest received

Interest received is recognised on a time basis using the effective interest rate implicit in the instrument.

Dividend income

Dividend income is recognised when the group's right to receive the payment is established.

8. EMPLOYEE BENEFITS

Short-term employee benefits

Remuneration of employees is recognised in the statement of comprehensive income as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

Defined-contribution plans

The group contributions to the defined-contribution funds are determined in terms of the rules governing those funds. Contributions are recognised in the statement of comprehensive income in the period in which the service is rendered by the relevant employees.

9. LEASES

Leases are classified as operating leases, where substantially all the risks and rewards associated with ownership of the asset are not transferred from the lessor to the lessee.

Operating lease rentals are recognised in the statement of comprehensive income on the straight-line basis over the lease term. The resulting difference arising from the straight-line basis and contractual cash flows is recognised as an operating lease obligation or asset. Contingent rental expenses are recognised when incurred.

10. RESEARCH AND DEVELOPMENT COSTS

Expenditure on research and development is recognised in the statement of comprehensive income in the year in which it is incurred.

11. INTEREST PAID

Interest paid is accrued and recognised in the statement of comprehensive income at the effective interest rate relating to the relevant financial liability, in the period in which it is incurred.

12. TAXATION

The Income Tax expense consists of current tax and deferred tax.

Current taxation

The current tax charge is the expected tax payable on the taxable income for the period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred taxation

The provision for deferred tax assets and liabilities reflects the tax consequences that would follow from the expected manner of recovery of the carrying amount of the group's assets and liabilities.

Deferred taxation is provided for all temporary differences at the reporting date between the carrying amounts for financial reporting purposes and the tax bases of assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that the related tax benefit will be realised in the foreseeable future against future taxable profit. The carrying value of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part, or all, of the asset to be utilised, the carrying value of the deferred tax asset is reduced.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are off-set if the group has a legally enforceable right to set off current assets against current liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

13. DIVIDENDS

Dividends payable and the related taxation thereon are recognised as liabilities in the period in which the dividends are declared.

14. OTHER INCOME

Other income comprises insurance proceeds for hurricanes and compensation for the BP Oil spill and is recognised on receipt.

15. **PROPERTY, PLANT AND EQUIPMENT**

Initial recognition

Property, plant and equipment are initially recognised at cost, being the cash price equivalent at the recognition date. The cost of an asset comprises any costs incurred in bringing the asset to the location and condition necessary for it to operate as intended by management.

Land and buildings

Immovable property owned by the group is classified as owner-occupied property and shown at cost less accumulated depreciation and impairment. Land is shown at cost less impairment and is not depreciated.

Improvements to leasehold property are capitalised and depreciated to expected residual value over the remaining period of the lease.

Plant, equipment, buildings, aircraft, fishing vessels and nets

Plant, equipment, buildings, aircraft, fishing vessels and nets are carried at cost less accumulated depreciation and impairment. When plant and equipment comprise major components with different useful lives, these components are depreciated as separate items. In the case of fishing vessel refits, these costs are expensed or capitalised and depreciated over the period between each vessel refit, depending on the nature of the work performed during the refit period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to the statement of comprehensive income during the financial period in which they are incurred. Expenditure incurred to replace or modify a significant component of plant or equipment is capitalised if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be reliably measured. Any remaining book value of the component replaced is written off in the statement of comprehensive income.

Depreciation

Items of property, plant and equipment are depreciated to their estimated residual values on the straight-line basis over their expected useful lives. The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date. A change resulting from the review is treated as a change in accounting estimate which is accounted for on a prospective basis.

Depreciation commences when an asset is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

Depreciation ceases temporarily when the residual value exceeds the carrying value. The following ranges of depreciation rates apply on initial recognition:

% per annum

Land (not depreciated)
Buildings (33 years)
Machinery and equipment (10 years)
Aircraft (7 years)
Vessels (15 years)
Fishing nets (3 years)

Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected through its continued use or disposal. Gains or losses which arise on derecognition are included in the statement of comprehensive income in the period of derecognition. The gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the item at the date of disposal.

Impairment

The carrying value of the group's property, plant and equipment is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A previously recognised impairment loss is reversed only if there has been a change in the estimated recoverable amount of the asset. That recoverable amount cannot exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior periods.

16. FINANCIAL INSTRUMENTS

Financial assets

Financial assets recognised in the statement of financial position include cash and cash equivalents and accounts receivable and other receivables.

Loans receivable are stated at their amortised costs, reduced by provisions for estimated irrecoverable amounts.

Cash and cash equivalents consisting of cash on hand, short-term deposits held with banks (designated cash and the capital construction fund), all of which are available for use by the group, are measured at fair value. For purposes of the statement of cash flows, cash and cash equivalents are stated net of bank overdrafts.

Accounts receivable are recorded at originated cost less allowance for credit notes to be issued. Provisions for irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired. This includes information that customers may have an inability to meet financial obligations. Amounts considered irrecoverable are written off against the provision only when the group has exhausted efforts to collect overdue and unpaid receivables or circumstances indicate that any further recovery efforts should be abandoned. Any recovery of amounts subsequently written off are recognised in the statement of comprehensive income.

Financial instruments are off-set when the group has a legally enforceable right to off-set and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when substantially all the risks and rewards of ownership are transferred to another entity.

Impairment

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Issued share capital and premium is recorded at the amount of the proceeds received.

Financial liabilities

Financial liabilities are initially recorded at cost and subsequently measured at amortised cost.

Financial liabilities are derecognised when the obligations are discharged, cancelled or they expire.

Derivative financial instruments

Derivative financial instruments are initially recorded at cost and are remeasured to fair value at subsequent reporting dates. Gains or losses arising from a change in fair value of financial instruments that are not part of a hedging relationship are recognised in the statement of comprehensive income in the period in which the change arises.

When a derivative instrument is designated as a cash flow hedge of an asset, liability or expected future transaction, the effective part of any gain or loss arising in the derivative instrument is classified as a hedging reserve in the statement of changes in equity until the underlying transaction occurs. The ineffective part of any gain or loss is immediately recognised in the statement of comprehensive income. If the expected future transaction results in the recognition of an asset or liability, the associated gain or loss is transferred from the hedging reserve to the underlying asset or liability.

17. INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost of fishmeal and fish oil is based upon the current season total production related expenses which are allocated to the product produced, materials and supplies used in the production process and spare parts used in the maintenance of property, plant and equipment are determined using the weighted average method.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Redundant and slow-moving inventories are identified and written down to their estimated net realisable values.

18. PROVISIONS

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

19. EVENTS AFTER REPORTING DATE

The financial statements are adjusted to reflect the effect of events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Events that are indicative of conditions that arose after the reporting date are disclosed, but do not result in an adjustment of the financial statements themselves.

20. USE OF ESTIMATES AND JUDGEMENTS IN THE PREPARATION OF ANNUAL FINANCIAL STATEMENTS

In the preparation of the financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the financial statements within the next financial period. Judgements made by management that could have a significant effect on the amounts recognised in the financial statements include:

- Provision for onerous lease and sales returns
- Employee benefits (Non-qualified retirement plan)
- Useful lives and residual values used to calculate depreciation of property, plant and equipment

Further information is provided in notes 17 and 18 to the financial statements.

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Accounting Standards and Interpretations issued but not yet effective

At the date of approval of these financial statements, the following relevant new or revised standards and interpretations were in issue, but not yet effective:

Standards and Interpretation applicable for the year ending December 2016:

- Disclosure Initiative (Amendments to IAS 1)

Standard applicable for the year ending December 2017

- IFRS 15 Revenue from Contracts with Customers

Standard applicable for the year ending December 2018

- IFRS 9 Financial Instruments

The group has decided not to early adopt any of these new or revised standards. The group is in the process of assessing the impact of the above standards, however none of these are expected to have a material impact.

Consolidated Statement of Comprehensive Income
for the year ended 31 December

	Notes	2014 USD'000	2013 USD'000	2012 USD'000
Revenue	1	123 981	90 499	84 308
Cost of sales	2	(62 396)	(48 071)	(36 809)
Gross profit		61 585	42 428	47 499
Sales and distributing expenditure		(18 754)	(13 118)	(13 733)
Overhead expenditure		(6 565)	(5 586)	(4 730)
Operating profit before abnormal items		36 266	23 724	29 036
Abnormal items	4	991	3 997	(10 546)
Operating profit	3	37 257	27 721	18 490
Investment income	5	65	54	50
Interest paid	6	(1 673)	(1 686)	(1 903)
Profit before taxation		**35 649**	**26 089**	**16 637**
Taxation	7	(12 442)	(10 357)	(6 696)
Profit after taxation		**23 207**	**15 732**	**9 941**
Other comprehensive income				
Movement on foreign currency translation reserve		–	–	–
Movement on cash flow hedging reserve		(420)	–	–
Other comprehensive income, net of taxation		(420)	–	–
Total comprehensive income for the year		22 787	15 732	9 941
Profit after taxation attributable to:				
Shareholders of the Daybrook Investors Inc.		11 758	7 982	5 187
Non-controlling interests		11 449	7 750	4 754
		23 207	15 732	9 941
Total comprehensive income attributable to:				
Shareholders of the Daybrook Investors Inc.		11 545	7 982	5 187
Non-controlling interests		11 242	7 750	4 754
		22 787	15 732	9 941
Earnings per share (cents)		68 838	46 735	30 368
Headline earnings per share (cents)		68 896	46 735	30 749
Reconciliation of headline earnings				
Profits attributable to shareholders of the Daybrook Investors Inc.		11 758	7 982	5 187
Adjustments for headline earnings:				
Loss on disposal of property, plant and equipment		10	–	65
Headline earnings		11 768	7 982	5 252

Consolidated Statement of Financial Position
at 31 December

Assets	Notes	2014 USD'000	2013 USD'000	2012 USD'000
Non-current assets		73 388	65 649	65 108
Property, plant and equipment	8	73 388	65 649	65 108
Current assets		113 854	95 764	77 859
Inventories	10	23 759	30 611	21 101
Accounts receivable	12	9 072	7 895	11 175
Loans to outside shareholders		35	36	36
Cash and cash equivalents	11	80 988	57 222	45 547
Total assets		187 242	161 413	142 967
Equity and liabilities				
Capital and reserves		110 529	87 742	72 010
Share capital and premium	13	3 637	3 637	3 637
Hedge reserve	14	(213)	–	–
Insurance reserve	15	9 250	8 793	5 250
Distributable reserve		42 166	30 865	26 426
Non-controlling interest		55 689	44 447	36 697
Non-current liabilities		67 081	62 282	59 434
Long-term loan	20	28 700	29 601	30 483
Employee benefits	17	7 543	6 652	6 089
Provisions	18	–	745	994
Deferred interest – CCF		–	206	155
Deferred taxation	9	30 838	25 078	21 713
Current liabilities		9 632	11 389	11 523
Accounts payable	16	7 038	4 006	3 633
Short-term portion of employee benefits	17	–	–	416
Provisions	18	–	3 859	6 598
Taxation		1 576	2 626	638
Short term portion of long-term loan	20	1 018	898	238
Total equity and liabilities		187 242	161 413	142 967
NAV per share (cents)		321 074	253 483	206 750
TNAV per share (cents)		321 074	253 483	206 750

Consolidated Statement of Changes in Equity
for the year ended 31 December

	Share capital and premium USD'000	Cash flow hedge reserve USD'000	Insurance reserve USD'000	Distributable reserve "Retained income" USD'000	Non-controlling interest USD'000	Total USD'000
Balance at beginning of year 2012	3 637	–	–	26 489	31 943	62 069
Total comprehensive income for the year	–	–	–	5 187	4 754	9 941
Profit after taxation				5 187	4 754	9 941
Other comprehensive income	–	–	–	–	–	–
Transfer to insurance reserve	–		5 250	(5 250)	–	–
Balance at end of year 2012	3 637	–	5 250	26 426	36 697	72 010
Total comprehensive income for the year	–	–	–	7 982	7 750	15 732
Profit after taxation	–	–	–	7 982	7 750	15 732
Other comprehensive income	–	–	–	–	–	–
Transfer to insurance reserve	–	–	3 543	(3 543)	–	–
Balance at end of year 2013	3 637	–	8 793	30 865	44 447	87 742
Total comprehensive income for the year	–	(213)	–	11 758	11 242	22 787
Profit after taxation				11 758	11 449	23 207
Other comprehensive income	–	(213)	–	–	(207)	(420)
Transfer to insurance reserve	–	–	457	(457)	–	–
Balance at end of year 2014	3 637	(213)	9 250	42 166	55 689	110 529
Notes	13	14	15			

Consolidated Statement of Cash Flows
for the year ended 31 December

	Notes	2014 USD'000	2013 USD'000	2012 USD'000
Cash flow from operating activities				
Operating profit		37 257	27 721	18 490
Adjustment for non-cash and other items		3 530	2 796	11 767
Depreciation, amortisation and impairment		6 565	5 586	4 730
Provisions		(4 604)	(2 988)	7 592
Loss on disposal of property, plant and equipment		34	–	225
Deferred interest CCF		(206)	51	43
Employee benefit plan		1 741	147	(823)
Cash operating profit before working capital changes		40 787	30 517	30 257
Working capital changes	A	8 288	(5 857)	(7 601)
Cash generated from operations		**49 075**	**24 660**	**22 656**
Investment income received		65	54	50
Interest paid		(1 673)	(1 686)	(1 903)
Taxation paid	B	(7 733)	(5 004)	(5 332)
Net cash inflow from operating activities		**39 734**	**18 024**	**15 471**
Cash outflow from investing activities		(15 187)	(6 128)	(9 668)
Replacement capital expenditure		(14 337)	(6 128)	(9 668)
Distribution from employee benefit plan		(850)	–	–
Cash (outflow)/inflow from financing activities		(781)	(221)	1 334
Long-term borrowings raised		50	–	2 164
Financing costs		(100)	–	(75)
Repayment of long-term borrowings		(731)	(221)	(755)
Net increase in cash and cash equivalents		23 766	11 675	7 137
Net cash and cash equivalents at the beginning of the year		57 222	45 547	38 410
Net cash and cash equivalents at the end of the year		**80 988**	**57 222**	**45 547**

Notes to the Consolidated Statement of Cash Flows

		2014 USD'000	2013 USD'000	2012 USD'000
A.	**Working capital changes**			
	Inventories	6 852	(9 510)	(1 586)
	Accounts receivable	(1 177)	3 280	2 884
	Loans to outside shareholders	1	–	–
	Accounts payable	2 612	373	(8 899)
	Total working capital changes	8 288	(5 857)	(7 601)
B.	**Taxation paid**			
	Net amount unpaid at the beginning of the year	2 626	638	2 253
	Charged to profit or loss (note 7)	6 683	6 992	3 717
	Net amount unpaid at the end of the year	(1 576)	(2 626)	(638)
	Cash amounts paid	7 733	5 004	5 332
C.	**Net cash and cash equivalents**			
	Cash and cash equivalents	80 988	57 222	45 547
	Note 1 – Revenue			
	The main categories of revenue are set out below:			
	Sale of goods			
	Fishmeal and fish oil	123 981	90 499	84 308
	Note 2 – Cost of sales			
	Cost of goods – trade	62 396	48 071	36 809
		62 396	48 071	36 809
	Note 3 – Operating profit			
	Operating profit is arrived at after taking into account the following items:			
	Expenditure			
	Selling and distribution expenses			
	Other selling expenses	19 131	13 164	14 317
	Onerous lease provision/(reversal)	(994)	(249)	1 243
	Operating lease expenses			
	Land and building	207	332	332
	Plant and equipment	410	410	137
	Employment costs	31 515	30 720	34 253
	Retirement costs = 401(k) plan	510	475	450
	Note 4 – Abnormal items			
	Gulf Coast Claims Facility settlement	–	–	(12 800)
	Hurricane Isaac insurance receipt	–	(4 500)	–
	Inventory normalisation adjustment and impairment	–	1 708	14 843
	Legal fees, provisions and other	(991)	(1 205)	8 503
		(991)	(3 997)	10 546

Deepwater Horizon Oil Spill (BP claim) and Hurricane Isaac

Daybrook Fisheries suffered material financial consequences as a result of the April 2010 Deepwater Horizon Oil Spill through 2010 to 2013 (and to lesser extent Hurricane Isaac, during August and September 2012). In 2010, Daybrook suffered losses as a result of the closure of fishing grounds necessitated by the spill.

2012

Daybrook rejected the final settlement tendered by the Gulf Coast Claims Facility ("GCCF"), as it represented only partial payment for the documented 2010 losses, provided no compensation for 2011 and 2012 losses, and failed to provide any compensation for future losses. However, the Federal District Court overseeing the Deepwater Horizon Oil Spill litigation issued a transition order, which allowed claimants rejecting a GCCF final settlement offer to receive a 60% payment without providing the defendants a legal release. In accordance with these terms, Daybrook received a USD 12.8 million remittance. A number of the expenses resulting from the continued adverse effect of the Deepwater Horizon Spill have also been recorded. Poor quality fish with unprecedented low oil and meal yields caused a significant increase in production costs per ton. The difference between actual per ton production costs vs. per ton production costs recompiled using ten year average fish oil and fishmeal yields were used to identify the additional abnormal cost of goods sold.

2013

In 2013 the impact, extent of and duration of the Oil Spill remained uncertain. The Federal District Court overseeing the Deepwater Horizon Oil Spill litigation was still to rule on how much oil spilled and whether BP was grossly negligent and how to apportion fault among the defendants. During 2013, the company also received business interruption insurance claim proceeds of USD 4.5 million related to Hurricane Isaac, which impacted the state of Louisiana from August to September of 2012.

2014

As of 31 December 2014, the court ruling on how much oil spilled and the amount of damages payable to the Federal Government and five Gulf Coast States under the Clean Water Act is expected during 2015.

Note 5 – Investment income	**2014 USD'000**	**2013 USD'000**	**2012 USD'000**
Interest received	65	54	50
	65	54	50
Note 6 – Interest paid			
Interest paid			
Bank and loan	1 673	1 686	1 903
	1 673	1 686	1 903
Note 7 – Taxation			
7.1 Income tax			
Current year – federal taxes	5 028	5 596	2 963
Current year – state taxes	1 655	1 396	754
	6 683	6 992	3 717
7.2 Deferred taxation			
Current year – federal taxes	4 672	2 758	2 516
Current year – state taxes	1 087	607	463
	5 759	3 365	2 979
Taxation charge	12 442	10 357	6 696

- The Company is taxed at 35% federal tax and 4% to 8% state tax rate, reduced by a federal tax rebate of 1.36% to 2.8%.

Note 7 – Taxation (continued)

7.3 The reconciliation of the effective rate of taxation charge with the United States company income tax rate is as follows:	2014 %	2013 %	2014 %
Federal tax			
Effective rate of taxation	27.2	32.0	32.9
Adjustment to rate due to:			
Expenses not allowable for taxation and other	(0.6)	(0.4)	(1.8)
Tax allowances, rebates and carry forwards	8.4	3.4	3.9
Federal tax rate	35.0	35.0	35.0
State tax			
Effective rate of taxation	7.7	7.7	7.3
Adjustment to rate due to:			
Expenses not allowable for taxation and other	(0.1)	(0.2)	(0.4)
Tax allowances, rebates and carry forwards	0.4	0.5	1.1
State tax rate	8.0	8.0	8.0

Note 8 – Property, plant and equipment

	Land and buildings USD'000	Machinery and equipment USD'000	Fishing vessels and nets USD'000	Aircraft USD'000	Total USD'000
Cost					
At 1 January 2012	34 075	39 165	30 763	1 713	105 716
Additions	4 459	89	5 120	–	9 668
Disposals	–	–	(224)	–	(224)
At 31 December 2012	38 534	39 254	35 659	1 713	115 160
Additions	507	560	4 876	185	6 128
Disposals	–	–	–	–	–
At 31 December 2013	39 041	39 814	40 535	1 898	121 288
Additions	519	8 752	4 889	177	14 337
Disposals	–	–	(2 834)	–	(2 834)
At 31 December 2014	39 560	48 566	42 590	2 075	132 791
Accumulated depreciation and impairment					
At 1 January 2012	6 497	15 057	22 593	1 175	45 322
Depreciation for the year	1 283	1 987	1 373	87	4 730
Disposals	–	–	–	–	–
At 31 December 2012	7 780	17 044	23 966	1 262	50 052
Depreciation for the year	1 342	2 174	1 990	81	5 587
Disposals	–	–	–	–	–
At 31 December 2013	9 122	19 218	25 956	1 343	55 639
Depreciation for the year	1 339	2 367	2 733	126	6 565
Disposals	–	–	(2 801)	–	(2 801)
At 31 December 2014	10 461	21 585	25 888	1 469	59 403
Carrying value					
At 31 December 2012	30 754	22 210	11 693	451	65 108
At 31 December 2013	29 919	20 596	14 579	555	65 649
At 31 December 2014	29 099	26 981	16 702	606	73 388

Note 8 – Property, plant and equipment (continued)

Mortgage

There are mortgages registered over Land and buildings in favour of the United States of America. All vessels are encumbered by a fleet mortgage in the amount of USD 30.4 million (2014; 2013; and 2012) and twelve of the aircraft are encumbered by a mortgage in favour of the United States of America, acting by and through the Secretary of Commerce NOAA, National Marine Fisheries Services.

	2014 USD'000	2013 USD'000	2012 USD'000
Note 9 – Deferred taxation			
Deferred taxation asset	3 074	2 353	2 658
Deferred taxation liability	(33 912)	(27 431)	(24 371)
Net deferred taxation liability	(30 838)	(25 078)	(21 713)
Net liability at the beginning of the year	(25 078)	(21 713)	(16 385)
Charged to income	(5 759)	(3 365)	(2 979)
Adjustment	(1)	–	(2 349)
Net liability at the end of the year	(30 838)	(25 078)	(21 713)
Comprising:			
Accelerated depreciation	(25 033)	(17 511)	(12 250)
Hurricane relief funds	(671)	(671)	(746)
Insurance proceeds	(8 208)	(8 833)	(9 830)
Provisions	–	(416)	(1 545)
Deferred compensation	3 018	2 297	2 602
Tax credit carry forward	56	56	56
	(30 838)	(25 078)	(21 713)
Note 10 – Inventories			
Fishmeal	12 824	17 709	15 816
Fish oil	7 443	10 102	2 567
Fish solubles	979	–	–
Material and supplies	2 513	2 800	2 718
	23 759	30 611	21 101
Note 11 – Cash and cash equivalents			
Bank balances	30 076	13 437	8 653
Designated Cash	20 793	21 622	15 394
Capital construction fund	30 119	22 163	21 500
Cash and cash equivalents in the statements of financial position	**80 988**	**57 222**	**45 547**
Cash and cash equivalents in the statements of cash flows	**80 988**	**57 222**	**45 547**

Designated cash

The company has incurred a liability for its non-qualified retirement plan (refer to note 17), an equivalent amount is transferred to separate bank account to match this liability as is disclosed as designated cash. Further the company has a number of insurance policies with excesses, management has also designated a specific amount of cash to cover these excesses. All designated cash is available to the company at any time.

Capital Construction Fund

The company has an ongoing agreement with the United States Department of Commerce, National Oceanic Atmospheric Administration National Marine Fisheries ("NOAA Fisheries") to participate in its Capital Construction Fund ("CCF") program. Withdrawals will be used for vessel investments or repayments on outstanding indebtedness due to NOAA Fisheries. Funds invested into the CCF account are charged to expense for income tax purposes and related vessel assets are not depreciated for tax purposes when CCF funds are withdrawn.

Note 11 – Cash and cash equivalents (continued)

Notes payable – Bank

The company has a USD 10 million credit facility with a bank, subject to availability, as defined. Borrowings under this line are utilised to finance its fishing, production and accounts receivable.

Borrowings under this agreement bear interest at (1) the bank's prime rate, or (2) LIBOR plus 2.85%. The company is obligated to pay a commitment fee on unused borrowings. Borrowings under this facility are collateralised by a security interest in the company's accounts receivable and inventories. The facility is available for a period of one year and renewed annually. The company is currently in the process of renewing the facility which is scheduled to expire on 31 May 2015.

	2014 USD'000	**2013 USD'000**	**2012 USD'000**
Note 12 – Accounts receivable			
Trade receivables	4 534	4 738	6 429
Gross trade receivables	4 534	4 738	6 429
Less: Provisions for irrecoverable trade receivables	–	–	–
Note receivable	221	119	113
Prepayments	4 304	3 038	4 633
Margin deposit	13	–	–
	9 072	7 895	11 175
The analysis of group trade and other receivables is as follows:			
Not past due	3 618	2 730	2 692
Ageing of trade and other receivables which are past due and not impaired			
30 days	554	738	1 857
45 days	133	409	1 121
60 days and over	229	861	759
	4 534	4 738	6 429
Concentration of credit risk in trade receivables			
By geographical region			
North America	3 934	4 738	5 129
Europe	600	–	600
Far East and other	–	–	700
	4 534	4 738	6 429

	2014 USD'000	2013 USD'000	2012 USD'000
Note 13 – Share capital and premium			
Ordinary shares of 0.1 cents each			
(issued: 17.08; authorised: 1 000)			
Issued share capital:			
Shares	0.17	0.17	0.17
Share premium	3 637	3 637	3 637
	3 637	3 637	3 637

Note 14 – Cash flow hedge reserve
Gains or losses arising on changes in fair value of forward exchange contracts, which have been designated as cash flow hedges, are transferred from equity into profit or loss. These gains or losses are included in cost of sales in the statement of comprehensive income. The cash flows associated with these hedges are expected to occur and affect profit or loss within one year.

Note 15 – Insurance reserve
The group is exposed to a number of excesses on various insurance policies. Management has transferred to an insurance reserve within equity an amount sufficient to cover these excesses. When insured events occur and the group is required to pay an excess, an equivalent amount is transferred from reserves to retained earnings.

	2014 USD'000	2013 USD'000	2012 USD'000
Note 16 – Accounts payable			
Trade payables	2 335	2 041	1 952
Accruals and other payables	4 703	1 965	1 681
	7 038	4 006	3 633
Note 17 – Employee benefits			
Non-qualified retirement plan			
Balance at the beginning of the year	6 652	6 505	7 328
Net charge/(credit) to operating profit	1 741	147	(823)
Utilised during the year	(850)	–	–
Balance at the end of the year	7 543	6 652	6 505
Current	–	–	416
Non-current	7 543	6 652	6 089
	7 543	6 652	6 505

The company maintains a non-qualified retirement plan (defined contribution plan) to provide supplemental executive retirement benefits to key employees selected by management to participate in the plan. The annual contribution is determined solely by the Company and the plan is compliant with Section 409(a) of the Internal Revenue Code. This is not a separate fund from the company and amounts are paid to employees based on the elected payment plan. The company transfers an amount equivalent to a separate bank account which is included in designated cash. (Refer note 11.)

Daybrook Fisheries Inc. 401(k) plan
The company maintains the Daybrook Fisheries, Inc. 401(k) plan (defined contribution plan) where after sixty days of employment employees become eligible and can thereafter make elective contributions to the plan. A "safe harbour" was adopted in January 2008 where employee elective contributions are matched "dollar" for "dollar", up to 3% of compensation. Under the safe harbour", company matches become fully vested when they are made. The amounts recognised in profit or loss for the year aggregated to approximately USD 510 000 (2013 – USD 475 000, 2012 – USD 450 000).

Note 18 – Provisions	Onerous lease USD'000	Sales returns USD'000	Total USD'000
Balance at 1 January 2012	–	–	–
Provisions made during the year	1 243	6 349	7 592
Balance at 31 December 2012	1 243	6 349	7 592
Provisions made during the year	–	3 610	3 610
Provisions reversed during the year	(249)	(6 349)	(6 598)
Balance at 31 December 2013	994	3 610	4 604
Provisions reversed during the year	(994)	(3 610)	(4 604)
Balance at 31 December 2014	–	–	–

	2014 USD'000	2013 USD'000	2012 USD'000
Current	–	3 859	6 598
Non-current	–	745	994
	–	4 604	7 592

Onerous lease
Following the BP Oil spill, minimum storage and throughput requirements were not satisfied at a storage facility held under a long-term lease. This was estimated initially to continue for the period of the lease, and a provision was recorded in 2012. Conditions subsequently improved and the balance of the provision was released in 2014.

Sales provision
Sales provisions are provided where the group is unable to fulfil commitments under sales contracts entered into, as well as where deviations from agreed product specifications are identified.

Note 19 – Commitments

19.1 Capital commitments

Approved capital expenditure is as follows:			
Contracted	7 300	7 860	3 360
Not contracted	6 015	6 477	2 768
	13 315	14 337	6 128

	2014 USD'000	2013 USD'000	2012 USD'000
Note 19 – Commitments (continued)			
19.2 Operating lease commitments			
The future minimum lease payments under operating leases are as follows:			
Land and buildings			
Not later than one year	410	207	207
Later than one year but not later than five years	275	259	341
	685	466	548
Plant and equipment			
Not later than one year	410	410	410
Later than one year but not later than five years	684	1 094	1 504
	1 094	1 504	1 914
Total operating lease commitments			
Not later than one year	820	617	617
Later than one year but not later than five years	959	1 353	1 845
	1 779	1 970	2 462
Note 20 – Long-term loan			
Non-current liabilities			
United States promissory note payable to NOAA Fisheries in quarterly instalments of USD 612,000, inclusive of interest at a weighted average interest rate of 4,85% per annum.	29 888	30 667	30 905
Deferred finance costs	(170)	(168)	(184)
	29 718	30 499	30 721
Less: Current portion	1 018	898	238
	28 700	29 601	30 483

In June 2014, the Company refinanced USD 15,000 of outstanding debt to NOAA Fisheries in order to lower the interest rate from 6.21% to 5.15% per annum.

These notes are collateralised by a first security interest in substantially all of the property and equipment of the Company.

Note 21 – Financial risk management

The group's activities expose it to a variety of financial risks: capital risk, market risk (currency risk and interest rate risk), liquidity risk and credit risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Capital risk

Capital is managed to ensure that operations continue as a going concern and that expansion opportunities can be funded when they arise. The group's capital management strategy has remained consistent with the prior year. Capital comprises equity, as disclosed in the statement of changes in equity and overdrafts supplemented when required by borrowing facilities.

Note 21 – Financial risk management (continued)

Interest rate risk and liquidity risk

Financial assets and liabilities affected by interest rate fluctuations include cash and short-term deposits and loans payable. Interest rates applicable to these assets and liabilities are floating except for loans (NOAA Fisheries) that are at fixed rates. Interest rates approximate prevailing market rates in respect of the financial instrument and country concerned. The group does not use derivative instruments to manage exposure to interest rate movements.

The group manages its liquidity risk by monitoring and forecasting cash flows and by maintaining adequate borrowing facilities to meet short-term demands. All non-derivative financial liabilities mature within one year, with the exception of the long-term loan disclosed in note 20.

Interest rate sensitivity analysis

All interest bearing financial liabilities are fixed rate instruments which are measured at amortised cost. Therefore a change in the interest rates at the reporting dates would not affect profit or loss.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

	2014 USD'000	2013 USD'000	2012 USD'000
Not later than one year			
– loan	1 018	898	238
– accounts payable	7 038	4 006	3 633
	8 056	4 904	3 871
Later than one year but not later than five years – loan	4 587	4 088	3 882
Later than five years – loan	24 113	25 513	26 601
	36 756	34 505	34 354

Credit risk

Generally, accounts receivable are the only significant financial instruments which potentially subjects the group to concentrations of credit risk. A significant percentage of the group's customers are large multinational companies and, accordingly, the group does not require collateral. Irrevocable documentary letters of credit opened by acceptable international banks are typically required on sales to customers in a number of emerging markets. The group performs ongoing credit evaluations of its customer's financial condition and continually evaluates its financial exposure to its customers.

The Company periodically has sales commitments in excess of inventory which could expose the Company to market risk, based upon the cost and availability of production. (Refer to Note 10.)

Fair values

The carrying amounts of financial assets and liabilities approximate their fair values at year-end because they are either of a short-term nature or bear interest at market related rates.

The forward exchange contract recorded in the cash flow hedging reserve is regarded as a level 2 financial instrument. Level 2 fair value measurements are those derived from inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

	2014 USD'000	2013 USD'000	2012 USD'000
Note 21 – Financial risk management (continued)			
Classification of financial instruments			
Financial assets			
Loans and receivables			
Accounts receivable	4 534	4 738	6 429
Fair value through profit or loss			
Cash	80 988	57 222	45 547
	85 522	61 960	51 976
Financial liabilities			
Amortised cost			
Accounts payable	6 618	4 006	3 633
Long-term loan	29 718	30 499	30 721
	36 336	34 505	34 354
Financial liabilities measured at fair value			
Hedging contract (cash flow hedge)	420	–	–
	36 756	34 505	34 354
Note 22 – Related party disclosures			
Transactions with shareholders and other related parties			
Expenses			
Donations (Daybrook Foundation)	1 737	1 216	2 212
Consulting fees	2 515	2 515	2 515
Legal fees	1 007	890	690
	5 259	4 621	5 417
Amounts due from related parties			
Advances	1 210	–	1 243
Compensation of key management personnel			
Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, including any director of that entity.			
Short-term employee benefits	10 346	7 865	8 311
Post-employment benefits	77	71	68
Termination benefits	–	–	–
Total compensation of key management	10 423	7 936	8 379

Post-retirement benefit plans

The group is a member of various defined contribution plans. Further details are shown in note 17.

Note 23 – Events after the reporting date

Management are not aware of any material subsequent events after the reporting date.

Note 24 – Non-controlling interests

The following table summarises the information relating to the group's subsidiary that has a material NCI, before any intra-group eliminations.

	2014 USD'000	2013 USD'000	2012 USD'000
Daybrook Fisheries Inc. (50,66%)			
NCI percentage	49.34	49.34	49.34
Non-current assets	73 388	65 649	65 108
Current assets	113 772	95 680	77 822
Non-current liabilities	(67 081)	(62 282)	(59 434)
Current liabilities	(9 581)	(11 338)	(11 472)
Net assets	110 498	87 709	72 024
Carrying amount of NCI	54 520	43 276	35 537
Revenue	123 981	90 499	84 308
Profit	23 209	15 685	9 340
OCI	(420)	–	–
Total comprehensive income	22 789	15 685	9 340
Profit allocated to NCI	11 450	7 738	4 608
OCI allocated to NCI	(207)	–	–
Cash flows from operating activities	39 735	17 978	15 471
Cash flows from investment activities	(15 187)	(6 128)	(9 668)
Cash flows from financing activities (dividends to NCI: nil)	(781)	(221)	1 334
Net increase in cash and cash equivalents	23 767	11 629	7 137

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF DAYBROOK GROUP

"The Directors
Oceana Group Limited
9th Floor Oceana House
25 Jan Smuts Street
Foreshore, Cape Town
8001

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR

Introduction

We have audited the historical financial information of Daybrook Group ("Daybrook Group") in respect of the year ended 31 December 2014 set out in Annexure 4 and we have reviewed the historical financial information of Daybrook Group in respect of the years ended 31 December 2013 and 31 December 2012 set out in Annexure 4.

The historical financial information in respect of each annual period comprises the consolidated statement of financial position as at the year-end date, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Historical Financial Information

The company's directors are responsible for the preparation and fair presentation of the historical financial information in accordance with the requirements of the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information that is free from material misstatement, whether due to fraud or error.

The JSE Listings Requirements require the historical financial information in respect of each annual period to be prepared in accordance with the conceptual framework, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and also, as a minimum, to be presented and contain the disclosures required by the JSE Listings Requirements.

Auditor's Responsibility

Our responsibility is to express an opinion or conclusion on the historical financial information based on our audit or review.

We conducted our audit of the historical financial information in accordance with International Standards on Auditing (ISAs) and the review of the historical financial information was conducted in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. Both standards require that we comply with ethical requirements.

We plan and perform the audit to obtain reasonable assurance about whether the historical financial information is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the historical financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the historical financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the historical financial information.

ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the historical financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. A review is substantially less in scope than an audit conducted in accordance with the ISAs and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We believe that the evidence we have obtained in our audit or review is sufficient and appropriate to provide a basis for our opinion or conclusion respectively.

Opinion/Conclusion

In our opinion, the historical financial information in respect of the year ended 31 December 2014 is prepared, in all material respects, in accordance with the requirements of the JSE Listings Requirements and International Financial Reporting Standards, as set out in the notes to the historical financial information.

Based on our review of the historical financial information of Daybrook Group in respect of the years ended 31 December 2013 and 31 December 2012, nothing has come to our attention that causes us to believe that the historical financial information of Daybrook Group for the years ended 31 December 2013 and 31 December 2012 are not prepared, in all material respects, in accordance with the requirements of the JSE Listings Requirements and International Financial Reporting Standards, as set out in the notes to the historical financial information.

Other information in the Circular

As required by paragraph 8.53 of the JSE Listings Requirements, we have read the circular in which the historical financial information is contained, for the purpose of identifying whether there are material inconsistencies between the circular and the historical financial information which has been subject to audit or review. The circular is the responsibility of the directors. Based on reading the circular we have not identified material inconsistencies between this report and the historical financial information which has been subject to audit or review. However, we have not audited the circular and accordingly do not express an opinion on the Circular.

Consent

We consent to the inclusion of this report, which will form part of the circular to the shareholders of Oceana Group Limited, to be issued on or about 12 June 2015, in the form and context in which it appears.

Deloitte & Touche
Registered Auditor

Per C Ringwood
Partner
9 June 2015

1st Floor, The Square
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Green Point
Cape Town
8005

National Executive: *LL Bam Chief Executive, *AE Swiegers Chief Operating Officer, *GM Pinnock Audit, DL Kennedy Risk Advisory, *NB Kader Tax, TP Pillay Consulting, *K Black Clients & Industries, *JK Mazzocco Talent & Transformation, *MJ Jarvis Finance, *MJ Jordan Strategy, S Gwala Managed Services, *TJ Brown Chairman of the Board, *MJ Comber Deputy Chairman of the Board

A full list of partners and directors is available on request *Partner and Registered Auditor

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited”

MATERIAL BORROWINGS OF OCEANA GROUP

The material borrowings of the Oceana Group as at the Last Practicable Date are set out below:

Lender	Facility	Facility amount (including authorised headroom limits)	Utilised	Term	Secured/ Unsecured	Interest rate
BMO Harris Bank. N.A.	Senior secured credit facilities Revolving credit facility Term loan	Up to USD 161.75 million (comprising USD 20 million swing line loans sub-limit and up to USD 141,75 million term loan)	Zero	5 years	Secured	US Libor plus 2.25% to 3.00% or Prime Rate plus 1.25% to 2.00%
The Standard Bank of South Africa Limited	General Short Term Banking Facility	ZAR 300 million – Date of this Facility Letter to 31 December 2014 ZAR 750 million – 1 January 2015 to 31 January 2015 ZAR 1,050 million – 1 February 2015 to 5 March 2015 ZAR 1,350 million – 6 March 2015 to 31 March 2015 to 31 May 2015 (or if earlier the Step Down Date) *(1) (2) ZAR 1,750 million – 1 April 2015 to 30 April 2015 (or if earlier the Step Down Date) *(1) (2) ZAR 2,200 million – 1 May 2015 to 31 May 2015 (or if earlier the Step Down Date) *(1) (2) ZAR 2,615 million – 1 June 2015 to 31 August 2015 (or if earlier the Step Down Date) * (1) (2)	ZAR 74 million ZAR 360 million ZAR 960 million ZAR 1,258 million ZAR 1,590 million ZAR 1,803 million ZAR 1,803 million	Repayable within 12 months, to be refinanced with ZAR Term funding	Secured	Prime less 1.55%
The Standard Bank of South Africa Limited	Derivative products trading facility	ZAR 450 million	ZAR 9 million			
FirstRand Bank Limited	General Short Term Direct [& Long-term Contingent] Banking Facility	ZAR 100 million	Zero	Demand Facility	Unsecured	Prime

Lender	Facility	Facility amount (including authorised headroom limits)	Utilised	Term	Secured/ Unsecured	Interest rate
Nedbank Limited	Multi Option Banking Facility	ZAR 100,000 000	Zero	Demand Facility	Unsecured	Prime
The Standard Bank of South Africa Limited	Amortisation Facility *	ZAR 890 million	Zero	5 years	Unsecured	SA Jibar plus 2.20%
The Standard Bank of South Africa Limited	Bullet Facility *	ZAR 920 million	Zero	4 years	Unsecured	SA Jibar plus 2.30%
The Standard Bank of South Africa Limited	Bullet Facility*	ZAR 590 million	Zero	3 years	Unsecured	SA Jibar plus 2.15%
The Standard Bank of South Africa Limited	Revolving Facility*	ZAR 300 million	Zero	3 years	Unsecured	SA Jibar plus 2.15
The Standard Bank of South Africa Limited	Bullet Facility	ZAR 300 million	ZAR 300 million	3 years	Unsecured	SA Jibar plus 1.70%
The Standard Bank of South Africa Limited	General Banking Facility	ZAR 416 million	ZAR 158 million	Demand Facility	Unsecured	Prime
The Standard Bank of South Africa Limited	Equity Bridge Facility	ZAR 1,200 million	100%	earlier of (i) 31 January 2016;0 (2) 6 months from the signing date of the facilities agreement; (3) the completion of the rights issue (to be repaid from the proceeds of the Rights Offer)	Unsecured	SA Jibar plus 1.70%

* Pursuant to a commitment letter agreed by Standard Bank and Oceana on 18 May 2015. The long-form Transaction funding agreements are in the process of being negotiated and are expected to be executed prior to the General Meeting.

There are no conversion or redemption rights in relation to the information as set out in this Annexure.

None of the above facilities have renewable terms

MATERIAL BORROWINGS OF DAYBROOK GROUP

The material borrowings of the Daybrook Group as at the Last Practicable Date are set out below:

Lender	Facility	Facility amount	Utilised	Term	Secured/Unsecured	Interest rate
United States through the Department of National Marine and Fisheries Services	Long Term Financing through the Fisheries Finance Program. This facility began in 1994 as part of a US Government program that finances the acquisition of fishing fleets, or the refinance of debt related to fishing fleets. The facility has been renewed from time to time since origination. The most recent 2014 renewal states the proceeds are to refinance existing debt	USD 31 million	–	Multiple notes, the last being due on 17 June 2034	This credit facility is secured by a mortgage on essentially all of the Daybrook Group's property, including real estate, a vessel mortgage on all of the vessels and aircraft in the Daybrook Group and related equipment and rights, and all fisheries equipment	5.14% for most recent Note
JP Morgan Chase	Credit Facility – Revolving line of credit	USD 10 million	–	12 months – expiring 31 May 2016	Secured by accounts, chattel paper, general intangibles and instruments, and inventory	Floating rate indexed on LIBOR

There are no conversion or redemption rights in relation to the information as set out in this Annexure.

MATERIAL CONTRACTS OF OCEANA AND DAYBROOK FISHERIES

Details of material contracts entered into by Oceana and its subsidiaries during the two years preceding the date of this Circular, other than in the ordinary course of business, are set out below (with summaries of the Equity Bridge Facility and the US Funding being included in Annexure 6 and discussed further in the Circular):

Material contracts of Oceana

Contract	**Parties to contract**	**Nature of contract**	**Date of signature of contract**
Stock Purchase and Merger Agreement	(1) OGL Holdco (2) DPI Merger Sub (3) Daybrook Fisheries (4) Daybrook Investors (5) Daybrook (6) Selling Stockholders (7) Gregory Holt, as stockholder representative	Pertains to the implementation of the Merger and Stock Purchase	19 May 2015
Standby underwriting agreement	(1) Oceana (2) The Standard Bank of South Africa Limited	Agreement in respect of the underwriting of the Rights Offer	18 May 2015
Equity Bridge Facility*	(1) Oceana (2) The Standard Bank of South Africa Limited	Agreement relating to funding the Transaction	19 May 2015
US Senior Facilities	(1) Oceana (2) BMO	Agreement relating to funding the Transaction	19 May 2015
Banking Facilities	(1) The Standard Bank of South Africa Limited (2) Oceana (3) Blue Continent Products Proprietary Limited (4) Lucky Star Limited (5) Oceana Lobster Proprietary Limited (6) Commercial Cold Storage Proprietary Limited (7) Calamari Fishing Proprietary Limited (8) Lamberts Bay Foods Limited (9) Erongo Marine Enterprises Proprietary Limited	General Banking Facility for the Group	30 September 2014
Banking facilities	(1) The Standard Bank of South Africa Limited (2) Lucky Star Limited	General Banking Facility for Lucky Star Limited	December 2014

* Pursuant to a commitment letter agreed by Standard Bank and Oceana on 18 May 2015. The long-form Transaction funding agreements are in the process of being negotiated and are expected to be executed prior to the General Meeting.

Details of material contracts entered into by the Daybrook Group during the two years preceding the date of this Circular, other than in the ordinary course of business, are set out below:

Material contracts of Daybrook

Contract		**Parties to contract**	**Nature of contract**	**Date of signature of contract**
Merger Agreement	(1) (2) (3) (4) (5) (6)	Oceana DPI Merger Sub Daybrook Fisheries Daybrook Investors Daybrook Selling Stockholders	Pertains to the implementation of the Merger and the Stock Purchase	19 May 2015
Exchange Agreement	(1) (2) (3) (4) (5)	Daybrook Fisheries DRCH Patronus Westbank Partners Klondike Resources Inc	The Remaining Stockholders shall exchange certain of their shares in Daybrook Fisheries for membership interests of Westbank and the Put Option, and contribute these interests to Westbank Partners	18 May 2015

None of the agreements detailed in this Annexure contain any restrictive funding conditions.

REPORT OF THE BOARD OF DIRECTORS IN TERMS OF REGULATION 31(7) AND 31(8) OF THE COMPANIES REGULATIONS, 2011 (THE "REGULATIONS") REGARDING THE CONVERSION OF THE COMPANY'S ORDINARY SHARE CAPITAL TO NO PAR VALUE SHARES

OCEANA GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1939/001730/06)
JSE share code: OCE
NSX share code: OCG
ISIN: ZAE000025284
("Oceana" or "the Company")

1. **BACKGROUND**

1.1 The Companies Act, No. 71 of 2008, as amended ("Companies Act") does not permit the creation of par value shares or shares with a nominal value. However, in terms of the Transitional Arrangements detailed in Schedule 5 of the Companies Act and the Regulations, pre-existing companies that already have par value shares in issue are allowed to retain such shares but cannot authorise any new par value shares after the date that the Companies Act came into effect, being 1 May 2011.

1.2 Oceana intends to implement a rights offer (the "Rights Offer") in order to raise equity funding to be used to fund a portion of the consideration payable in respect of the acquisition by Oceana, of an effective 100% equity interest in Daybrook Fisheries, which in turn holds a 25% membership interest in Westbank. Details of this acquisition are set out in a circular to Oceana shareholders dated Monday, 15 June 2015 ("Circular").

1.3 Oceana, which has ordinary shares ("Oceana Ordinary Shares") (referred to as "Oceana Shares") each with a par value of 0.1 cent, may have insufficient authorised and unissued Oceana Ordinary Shares to issue for the purposes of the Rights Offer. Accordingly, in order to implement the Rights Offer, Oceana must increase the number of authorised and unissued Oceana Ordinary Shares. However, so as to meet the requirements of the Companies Act, the Regulations and the Listings Requirements of the JSE Limited (the "JSE"), in order to increase the number of authorised Oceana Ordinary Shares, Oceana must first convert the Oceana Ordinary Shares from shares with a par value of 0.1 cent each into Oceana Ordinary Shares of no par value.

1.4 In terms of:

1.4.1 regulation 31(6) of the Regulations – a company may amend its memorandum of incorporation ("Memorandum of Incorporation") to effect a conversion of its authorised and issued shares of par value to shares of no par value by way of a resolution proposed by the Board at any time after the date on which the Companies Act came into effect, and such resolution will have been adopted if it is approved by: (i) a special resolution adopted by the holders of shares of each such class of shares; and (ii) a further special resolution adopted by a meeting of the Company's shareholders called for that purpose; and

1.4.2 regulation 31(7) of the Regulations – the board of a company is required to prepare a report in respect of a proposed resolution to convert any par value shares into no par value shares ("Report"). This document constitutes the Report in relation to the proposed conversion.

1.5 Oceana shareholders are being asked to approve the special resolutions required to authorise the conversion of all of the Oceana Ordinary Shares from par value Oceana Ordinary Shares of 0.1 cent each to no par value Oceana Ordinary Shares.

1.6 In accordance with regulation 31(6) of the Regulations, the proposed conversion will need to be approved by a special resolution adopted at a meeting of the Oceana shareholders called for this purpose. Details in respect of the meeting of Oceana shareholders called for the approval of these resolutions are set out in the notice of general meeting attached to the Circular.

2. THE REPORT

2.1 In terms of Regulation 31(7) of the Regulations the Report is required to, at a minimum:

2.1.1 state all information relevant to the value of the securities affected by the proposed conversion;

2.1.2 identify holders of the company's securities affected by the proposed conversion;

2.1.3 describe the material effects that the proposed conversion will have on the rights of the holders of the company's securities affected by the proposed conversion; and

2.1.4 evaluate any material adverse effects of the proposed arrangement against the compensation that any of those persons will receive in terms of the arrangement.

2.2 Information relevant to the value of the securities affected by the proposed conversion

2.2.1 The securities affected by the proposed conversion are the authorised and issued Oceana Ordinary Shares, currently comprising 200 000 000 authorised Oceana Ordinary Shares of 0.1 cent each of which 119 526 157 Oceana Ordinary Shares of 0.1 cent each have been issued.

2.2.2 The Oceana Ordinary Shares that are issued are listed on the main board of the JSE, trading under the share code OCE.

2.2.3 Information in relation to the historic net asset value, earnings, headline earnings and distribution per Oceana Share is detailed in the financial statements of Oceana for FY 2014, FY 2013 and FY 2012, which are available for inspection at the registered office of Oceana, 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001, at The Standard Bank of South Africa Limited, 30 Baker Street, Rosebank, 2196 and in electronic form on the Company's website www.oceana.co.za.

2.2.4 Given that the number of Oceana Ordinary Shares in issue and the rights attaching to those shares will be unaffected by the proposed conversion, the proposed conversion will have no impact on the historic net asset value, earnings, headline earnings and distributions per Oceana Ordinary Share and should have no impact on the price at which Oceana Ordinary Shares trade on the JSE.

2.2.5 Oceana's shareholders holding share certificates in respect of Oceana Ordinary Shares with a par value of 0.1 cent will not be asked to surrender their share certificates at this point in time and will be able to dematerialize the share certificates of such Oceana Ordinary Shares with a par value of 0.1 cent in order to trade in their Oceana Ordinary Shares. If required, Oceana's shareholders may then request share certificates for their no par value shares and accordingly become Certificated Shareholders again.

2.3 Holders of the company's securities affected by the proposed conversion

The proposed conversion will only affect the holders of Oceana Ordinary Shares.

2.4 Material effects of the proposed conversion on Oceana shareholders

2.4.1 The proposed conversion will result in the conversion of each Oceana Ordinary Share of 0.1 cent each into an Oceana Ordinary Share of no par value.

2.4.2 Accordingly, after the proposed conversion each holder of Oceana Ordinary Shares will own the identical number of Oceana Ordinary Shares as they held before the proposed conversion and the no par value Oceana Ordinary Shares which they hold post the conversion will represent the same proportion of the total issued share capital of Oceana Ordinary Shares as the par value Oceana Ordinary Shares which they held represented in the total issued share capital of Oceana Ordinary Shares before the conversion.

2.4.3 The proposed conversion has no other impact on any of the rights attaching to the Oceana Ordinary Shares and the no par value Oceana Ordinary Shares will confer on an Oceana Ordinary Shareholder all of the same rights as they enjoyed as the holder of par value Oceana Ordinary Shares before the proposed conversion including (without limitation) rights to receive the net assets of Oceana on its liquidation.

2.5 **Evaluation of material adverse effects of the proposed conversion against compensation offered**

2.5.1 As detailed in paragraph 2.4 above, the proposed conversion has no adverse effects on the holders of Oceana Ordinary Shares as they are in the same position and enjoy the same rights before and after the proposed conversion.

2.5.2 There is no compensation being offered in the context of the proposed conversion of Oceana Ordinary Shares as there are no adverse effects following the proposed conversion on holders of Oceana Ordinary Shares.

3. **GENERAL**

In terms of regulation 31(8)(b) of the Regulations, a copy of this report will be filed at the Companies and Intellectual Property Commission and at the South African Revenue Services at the same time as this report is published to the shareholders of Oceana.

OCEANA GROUP LIMITED

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NOTICE OF GENERAL MEETING

All terms defined in the Circular to which this Notice of General Meeting is attached ("Circular") shall bear the same meanings herein.

Notice is hereby given that a general meeting of Oceana Shareholders will be held at 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001 on Wednesday, 15 July 2015 at 14:00 for the purpose of considering and, if deemed fit, passing with or without modification, the special and ordinary resolutions set out below in the manner required by the Companies Act and the Listings Requirements. Registration will start at 13:15.

Oceana Shareholders are reminded that:

- an Oceana Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend, participate and vote at the General Meeting in the place of the Oceana Shareholder and the Oceana Shareholders are referred to the attached form of proxy in this regard;
- a proxy need not be an Oceana Shareholder;
- an Oceana Shareholder may appoint up to two proxies to exercise voting rights attached to different Oceana Shares held by the Oceana Shareholder which entitle the Oceana Shareholder to vote at the General Meeting;
- the proxy may delegate the authority granted to it as proxy, subject to any restriction in the proxy itself.

Record Date

The Directors have determined that the record date on which an Oceana Shareholder must be registered in the Register in order to:

- receive notice of the General Meeting is Friday, 5 June 2015; and
- participate in and vote at the General Meeting is Friday, 3 July 2015.

Therefore the Last Day to Trade in order to be able to participate at the General Meeting is Friday, 26 June 2015.

Identification

In terms of section 63(1) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to participate in and vote at the General Meeting, either as an Oceana Shareholder, or as a proxy for an Oceana Shareholder, has been reasonably verified.

Special resolution number 1 – Conversion of Oceana Ordinary Share capital from par value Oceana Ordinary Shares to no par value Oceana Ordinary Shares

"Resolved that, subject to the passing of Special resolutions number 2, 3, 4, 5 and Ordinary resolutions number 1 and 2, and their registration with the Companies and Intellectual Property Commission ("CIPC") to the extent required, the Oceana Ordinary Shares (comprising the issued, authorised and unissued Oceana Ordinary Shares) be converted, with effect from the date that this resolution is filed with the CIPC, from Oceana Ordinary Shares with a nominal value of 0.1 cent each into Oceana Ordinary Shares of no par value on the basis that each existing Oceana Ordinary Share of 0.1 cent be converted into one Oceana Ordinary Share with no par value, such that, save as to the nominal value, the no par value Oceana Ordinary Shares shall have the same rights and rank *pari passu* in all respects with the par value Oceana Ordinary Shares of such class."

The reason for Special resolution number 1 is that the Companies Act limits the Company's ability to restructure its par value share capital. In order to meet the requirements of the Companies Act that the Company's Oceana Ordinary Shares do not have a nominal or par value, the Company's Oceana Ordinary Shares must be converted from Oceana Ordinary Shares with a nominal or par value of 0.1 cent each into Oceana Ordinary Shares of no par value in compliance with the requirements of the Companies Act.

The effect of Special resolution number 1 is that the Oceana Ordinary Shares (comprising the issued, authorised and unissued Oceana Ordinary Shares) will be converted from 200,000,000 authorised Oceana Ordinary Shares of 0.1 cent each and 119,526,157 issued Oceana Ordinary Shares of 0.1 cent each into 200,000,000 authorised Oceana Ordinary Shares of no par value and 119,526,157 issued Oceana Ordinary Shares of no par value, respectively.

The percentage of voting rights required for the adoption of this Special resolution number 1 is the support of at least 75% of the voting rights exercised on that special resolution.

This resolution, as with all of the resolutions set out in this Notice of General Meeting, will be voted on by the Oceana Ordinary Shareholders at the General Meeting, will constitute a special resolution adopted by the class of Oceana Ordinary Shareholders and "*a further special resolution adopted by a meeting of the company's shareholders*", as contemplated by regulation 31(6)(b)(i) and (ii) of the Regulations.

Special resolution number 2 – Increase in the number of authorised Oceana Ordinary Shares

"Resolved that, subject to the passing of Special resolutions number 1, 3, 4, 5 and Ordinary resolutions number 1 and 2, and their registration with the CIPC to the extent required, the existing authorised share capital of the Company of 200,000,000 Oceana Ordinary Shares with no par value, be and is hereby increased by the creation of a further 1,200,000,000 Oceana Ordinary Shares with no par value for the purposes of the Rights Offer, such that, pursuant to such increase, the authorised share capital of the Company shall comprise 1,400,000,000 Oceana Ordinary Shares with no par value."

The reason for Special resolution number 2 is that the Company may not have sufficient authorised but unissued Oceana Ordinary Shares for purposes of the Rights Offer and hence the Company has proposed the increase in the number of authorised Oceana Ordinary Shares.

The amount of the Rights Offer and the Rights Offer price will be determined by the Company and Standard Bank immediately prior to the Rights Offer depending on, inter alia, market conditions prevailing at such time. Consequently the Directors believe that it is necessary to increase the share capital by this number of Oceana Ordinary Shares in order to give the Company sufficient flexibility to make the Rights Offer at a price which will, in the circumstances prevailing at the time at which that price is determined, be appropriate. To the extent that the newly created Oceana Ordinary Shares are not required for purposes of the Rights Offer, the Company will propose the reduction of the number of authorised Oceana Ordinary Shares to a customary level, as determined by the Directors, at an annual general meeting of the Company following implementation of the Rights Offer.

The effect of Special resolution number 2 is to increase the authorised share capital of the Company from 200,000,000 Oceana Ordinary Shares with no par value to 1,400,000,000 Oceana Ordinary Shares with no par value.

The percentage of voting rights required for the adoption of this Special resolution number 2 is the support of at least 75% of the voting rights exercised on that special resolution.

Special resolution number 3 – Authorisation for the amendment of the Company's Memorandum of Incorporation

"Resolved that, subject to the passing of Special resolutions number 1, 2, 4, 5 and Ordinary resolutions number 1 and 2 and their registration with the CIPC to the extent required, the Company's Memorandum of Incorporation be and is hereby amended by:

(i) the deletion *in its entirety of article 7.1 and the substitution thereof with the following new article 7.1:*

"The Company is authorised to issue the following numbers and classes of Shares (which includes Shares already issued at any time), namely 1,400,000,000 (one billion four hundred million) ***ordinary Shares with no par*** *value, each of which shall have Voting Rights in respect of every matter that may be decided by voting and which shall rank after all other classes of Shares in the Company which do not rank pari passu with the ordinary Shares as regards Distributions, but save as aforesaid shall be entitled to receive the net assets of the Company upon its liquidation";* and

(ii) the deletion in its entirety of article 7.3, which states:

"To the extent that the Company immediately before 1 May 2011 had authorised but unissued par value Shares in its capital of a class of which there are issued Shares, the unissued Shares of that class may be issued at par or at a premium or at a discount."

The reason for this Special resolution number 3 is to amend the Company's Memorandum of Incorporation as required in terms of section 36(2) of the Companies Act and regulation 31(6)(b)(i) and (ii) of the Regulations.

The effect of this Special resolution number 3 is to ensure that the Company's Memorandum of Incorporation contains the correct detail in relation to the Company's authorised share capital.

The percentage of voting rights required for the adoption of this Special resolution number 3 is the support of at least 75% of the voting rights exercised on that special resolution.

Special resolution number 4 – Authorisation for the ability to issue 30% or more of the Company's Oceana Ordinary Shares for the purposes of implementing the Rights Offer

"Resolved that, subject to the passing of Special resolutions number 1, 2, 3, 5 and Ordinary resolutions number 1 and 2, and their registration with the CIPC to the extent required, the Directors be and are hereby authorised, to the extent required in terms of the provisions of section 41(3) of the Companies Act, to allot and issue such number of Oceana Ordinary Shares in the authorised but unissued share capital of the Company as are required pursuant to and for the purposes of the Rights Offer, even if such number of Oceana Ordinary Shares have voting power equal to or in excess of 30% of the voting rights of all Oceana Ordinary Shares immediately prior to such issue. Such authority will include the authority to allot and issue any Oceana Ordinary Shares in the authorised but unissued share capital of the Company to any underwriter(s) of the Rights Offer (whether or not any such underwriter is a related party to the Company (as defined for the purposes of the Listings Requirements)) and/or a person falling within the ambit of section 41(1) of the Companies Act, being a Director, future Director, prescribed officer or future prescribed officer of the Company or a person related or inter-related to the Company or related or inter-related to a Director or prescribed officer of the Company (or a nominee of any of the foregoing persons)."

The reason for this Special resolution number 4 is to authorise the issue of Oceana Ordinary Shares with no par value which have voting rights equal to or in excess of 30% of the voting rights of all Oceana Ordinary Shares of no par value immediately prior to the issue and/or to a person falling within the ambit of section 41(1) of the Companies Act, being a Director, future Director, prescribed officer or future prescribed officer of the Company or a person related or inter-related to the Company or related or inter-related to a Director or prescribed officer of the Company (or a nominee of any of the foregoing persons), to the extent required for the purposes of implementation of the Rights Offer and by article 8.2.1 of the Company's Memorandum of Incorporation.

The effect of Special resolution number 4 is to authorise the directors of the Company, in terms of section 41(3) of the Companies Act, to issue Oceana Ordinary Shares with no par value which have voting rights equal to or in excess of 30% of the voting rights of all Oceana Ordinary Shares of no par value immediately prior to the issue and/or to a person falling within the ambit of section 41(1) of the Companies Act, being a Director, future Director, prescribed officer or future prescribed officer of the Company or a person related or inter-related to the Company or related or inter-related to a Director or prescribed officer of the Company (or a nominee of any of the foregoing persons), to the extent required for the purposes of implementation of the Rights Offer.

The percentage of voting rights required for the adoption of this Special resolution number 4 is the support of at least 75% of the voting rights exercised on that special resolution.

Special resolution number 5 – Authorisation to exclude holders of Treasury Shares from participating in the Rights Offer

"Resolved that, subject to the passing of Special resolutions number 1, 2, 3, 4 and Ordinary resolutions number 1 and 2, and their registration with the CIPC to the extent required, the Company be and is hereby entitled to exclude the holders of Treasury Shares from participating in the Rights Offer."

The reason for this Special resolution number 5 is that the Company wishes to be entitled to exclude the holders of Treasury Shares from participating in the Rights Offer and hence requires approval by the Oceana Shareholders for the Rights Offer to be structured in this manner. In terms of the Companies Act, a rights offer (as defined in section 95(1)(l)) is not required to be made to all shareholders of a company.

With regards to the Treasury Shares, if the Rights Offer proceeds, the holders of the Treasury Shares will either be required to fund their participation in the Rights Offer, or sell their rights. In the Company's view, it is more practical for the holders of Treasury Shares to rather be excluded from the Rights Offer. Each of Lucky Star Limited and the Oceana Group Share Trust, the holders of Treasury Shares, have agreed in writing to the decision of the Company to exclude the holders of Treasury Shares from participating in the Rights Offer and to waive any pre-emptive rights to the Rights Offer in terms of article 9 of the Memorandum of Incorporation to the extent applicable, subject to the Oceana Shareholders adopting Special resolution number 5 set out in the Notice of General Meeting, thereby entitling the Company to exclude the holders of Treasury Shares from participating in the Rights Offer.

The effect of Special resolution number 5 is to entitle the Company to exclude the holders of Treasury Shares from participating in the Rights Offer.

The percentage of voting rights required for the adoption of this Special resolution number 5 is the support of at least 75% of the voting rights exercised on that special resolution.

Ordinary resolution number 1 – Approval of implementation of the Transaction as a Category 1 transaction

"Resolved that, subject to the passing of Special resolutions number 1, 2, 3, 4, 5 and Ordinary resolution number 2 and registration with the CIPC to the extent required, the indirect acquisition by the Company of all the issued shares of Daybrook Fisheries, Inc. ("Daybrook Fisheries") through the Company's wholly owned US subsidiary, Oceana US Holdings Corporation, for a consideration of USD 382.3 million, and any contingent funds that may become payable by Daybrook Fisheries in future in connection with a pending lawsuit that has been filed by Daybrook Fisheries against BP Exploration & Production, Inc. among others, together with the guarantee of the put option price of USD 31.5 million and put premium of USD 15.0 million in relation to the 75% interest in Westbank, which consideration and put option price and premium will be settled on materially the terms and conditions set out in the Circular to Oceana Shareholders dated Monday, 15 June 2015 of which this Notice of General Meeting forms part, be and is hereby approved by the Oceana Shareholders."

The reason for this Ordinary resolution number 1 is to approve and authorise the Transaction as a Category 1 transaction, as required by the Listings Requirements.

The effect of Ordinary resolution number 1 is to approve and authorise the Transaction as a Category 1 transaction.

The percentage of voting rights required for the adoption of this ordinary resolution number 1 is 50% plus one vote, of the voting rights exercised on this ordinary resolution.

Ordinary resolution number 2 – Placing control of the authorised but unissued Shares in the hands of the directors

"Resolved that, subject to the passing of Special resolutions number 1, 2, 3, 4, 5 and Ordinary resolution number 1 and their registration with the CIPC to the extent required, in terms of article 8.4 of the Company's Memorandum of Incorporation, the Oceana Ordinary Shares of no par value in the authorised but unissued share capital of the Company be and are hereby placed under the control of the Directors of the Company with specific authority to allot and issue such Oceana Ordinary Shares in the capital of the Company upon such terms and conditions as they may determine for the specific purpose of implementing the Rights Offer, subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation and the Listings Requirements."

The reason for this Ordinary resolution number 2 is to place the Oceana Ordinary Shares of no par value in the authorised but unissued share capital of the Company under the control of the Directors of the Company with specific authority to allot and issue such Oceana Ordinary Shares for the specific purpose of implementing the Rights Offer.

The effect of Ordinary resolution number 2 is to place the Oceana Ordinary Shares of no par value in the authorised but unissued share capital of the Company under the control of the Directors of the Company with specific authority to allot and issue such Oceana Ordinary Shares for the specific purpose of implementing the Rights Offer.

The percentage of voting rights required for the adoption of this Ordinary resolution number 2 is 50% plus one vote, of the voting rights exercised on this ordinary resolution.

Ordinary resolution number 3 – General authorisation

"Resolved that any director of the Company or the company secretary be and is hereby authorised to take all actions necessary and sign all documents required to give effect to the abovementioned resolutions."

The reason for this Ordinary resolution number 3 is to authorise any Director or the company secretary of the Company to take all actions necessary and sign all documents required to give effect to all of the resolutions set out in this Notice of General Meeting.

The effect of Ordinary resolution number 3 is to authorise any Director or the company secretary of the Company to take all actions necessary and sign all documents required to give effect to all of the resolutions set out in this Notice of General Meeting.

The percentage of voting rights required for the adoption of this Ordinary resolution number 3 is 50% plus one vote, of the voting rights exercised on this ordinary resolution.

In terms of section 48(2)(b)(ii) of the Companies Act, the holders of Treasury Shares shall not be entitled to exercise voting rights on the aforementioned resolutions. Furthermore, in terms of the Listings Requirements, Shares held by Treasury Shareholders will not have their votes at the General Meeting taken into account for the purposes of Ordinary resolution number 1, which is proposed in terms of the Listings Requirements.

Voting requirements and proxies

On a show of hands, every Oceana Shareholder, present in person or represented by proxy, shall have one vote only. On a poll, every Oceana Shareholder, present in person or by proxy, shall have one vote for every Share held or represented.

Any Oceana Shareholder who holds Certificated Shares in the Company or who holds Dematerialised Shares through a CSDP or Broker and who has selected "own name" registration, may attend, participate in and vote at the General Meeting or at any adjournment thereof or may appoint any other person or persons (none of whom need be an Oceana Shareholder) as a proxy or proxies, to attend, participate in and vote or abstain from voting at the General Meeting or at any adjournment thereof, in such Shareholder's stead.

A proxy form is enclosed for use by such Oceana Ordinary Shareholders. Such proxy form, duly completed, must be forwarded to reach the transfer secretaries of the company, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 or be posted to them at PO Box 61051, Marshalltown, 2107, or emailed to them at proxy@computershare.co.za, to be received preferably by no later than 14:00 on Monday, 13 July 2015.

Oceana Shareholders holding Dematerialised Shares, but not with own-name registration, must furnish their CSDP or Broker with their instructions for voting at the General Meeting. If your CSDP or Broker, as the case may be, does not obtain instructions from you, it will be obliged to act in terms of your mandate furnished to it, or if the mandate is silent in this regard, complete the relevant form of proxy attached.

Unless you advise your CSDP or Broker, in terms of the agreement between you and your CSDP or Broker by the cut off time stipulated in the agreement, that you wish to attend the General Meeting or send a proxy to represent you at the General Meeting, your CSDP or Broker will assume that you do not wish to attend the General Meeting or send a proxy.

If you wish to attend the General Meeting or send a proxy, and you are not an "own name" Dematerialised Shareholder or Certificated Shareholder, you must request your CSDP or Broker to issue the necessary Letter of Representation to you.

The completion of a form of proxy does not preclude any Oceana Shareholder registered by the Voting Record Date from attending the General Meeting.

Oceana Shareholders and proxies attending the General Meeting on behalf of Oceana Shareholders are reminded that satisfactory identification must be presented in order for such shareholder or proxy to be allowed to attend or participate in the General Meeting.

Electronic participation

The Company intends to make provision for Shareholders, or their proxies, to participate in the General Meeting by way of electronic communication. In this regard, the Company intends making telephonic facilities available at the office of The Standard Bank of South Africa Limited, 30 Baker Street, Rosebank, Johannesburg, which will be linked by telephonic access to the venue of the General Meeting in Cape Town at the above address.

Should you wish to participate in the General Meeting by way of electronic communication in Johannesburg as aforesaid, you, or your proxy, will be required to attend at the abovementioned location arranged by the Company in Johannesburg at the time and on the date of the General Meeting. The Johannesburg location will be linked to the venue in Cape Town by telephonic access on the date of, and from the time of commencement of, the General Meeting. The cost of the telephone facilities described as aforesaid will be for the account of the Company.

Should you wish to participate in the General Meeting by way of telephonic facilities in South Africa otherwise than at the Johannesburg venue, and at your own expense, please contact the Company Secretary before 14:00 on Thursday, 9 July 2015.

Telephonic access will enable all persons to participate electronically in the General Meeting in this manner and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the General Meeting.

By order of the Board

Jillian Marais

Company Secretary

Cape Town

15 June 2015

OCEANA GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1939/001730/06)
JSE share code: OCE
NSX share code: OCG
ISIN: ZAE000025284
("Oceana" or "the Company")

FORM OF PROXY

For use only by:

- holders of certificated ordinary shares in the Company; and
- holders of dematerialised ordinary shares in the company held through a Central Securities Depository Participant (CSDP) or Broker and who have selected "own name" registration,

at the general meeting of Oceana shareholders to be held at 7th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001 at 14:00 on Wednesday, 15 July 2015 and at any adjournment thereof ("General Meeting").

If you are an Oceana Shareholder referred to above, and are entitled to attend and vote at the General Meeting, you can appoint a proxy or proxies to attend, vote and speak in your stead at the General Meeting. A proxy need not be a shareholder of the Company. If you are an Oceana Ordinary Shareholder and have dematerialised your ordinary shares through a CSDP (and have not selected "own name" registration in the sub-register maintained by a CSDP), do not complete this form of proxy but instruct your CSDP to issue you with the necessary authority to attend the General Meeting, or if you do not wish to attend, provide your CSDP with your voting instructions in terms of your custody agreement entered into with it. Generally, a shareholder will not be an own name dematerialised Oceana shareholder unless the Oceana shareholder has specifically requested the CSDP to record the Oceana shareholder as the holder of shares in the Oceana shareholder's own name in the Company's subregister.

I/We (full names in BLOCK LETTERS please)

of (address)

Telephone: (   )   Cellphone number:

Email address:

being the holder(s) of ____________ ordinary shares in the Company (delete whichever is inapplicable), hereby appoint:

1.   of   or failing him/her,

2.   of   or failing him/her,

3. the Chairman of the company, or failing him the chairman of the General Meeting, as my/our proxy to attend, speak and on a poll to vote or abstain from voting on my/our behalf, as indicated below, at the General Meeting and/or at any adjournment thereof:

	Resolution	For	Against	Abstain
1	Special resolution 1 – conversion of par value Oceana Ordinary Shares to no par value Oceana Ordinary Shares			
2	Special resolution 2 – increase number of authorised Oceana Ordinary Shares			
3	Special resolution 3 – amendments to Memorandum of Incorporation			
4	Special Resolution 4 – approval to issue 30% or more of the Company's issued Oceana Ordinary Shares			
5	Special Resolution 5 – authorisation to exclude holders of Treasury Shares from participating in the Rights Offer			
6	Ordinary Resolution number 1 – approval of the Transaction as a Category 1 transaction			
7	Ordinary Resolution number 2 – placing Oceana Ordinary Shares under the control of the directors for the specific purpose of the Rights Offer			
8	Ordinary Resolution number 3 – general authorising resolution			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares which you desire to vote (see note 2).

This proxy shall be valid only for the General Meeting of shareholders of the Company to be held on Wednesday, 15 July 2015 and any adjournment thereof.

Signed at   this   day of   2015

Signature

Assisted by me (if applicable)

(Authority of the signatory to be attached if applicable – see note 6)

Please read the notes on the reverse side hereof.

NOTES

An Oceana Shareholder is entitled to appoint one or more proxies (none of whom need be a Shareholder of Oceana) to attend, speak and vote or abstain from voting in the place of that Shareholder at the General Meeting.

1. An Oceana Shareholder may therefore insert the name of a proxy or the names of two alternative proxies of the Oceana Shareholder's choice in the space provided, with or without deleting the words "the Chairman of the company, or failing him the Chairman of the general meeting". The person whose name appears first on the proxy form and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. An Oceana Shareholder's instructions to the proxy must be indicated by the insertion of an "x" in the appropriate box or if an Oceana Shareholder wishes the proxy to cast votes in respect of a lesser number of shares than the Oceana Shareholder owns, the requisite number of shares should be inserted in the appropriate box. Failure to comply with the above will be deemed to authorise and instruct the Chairman of the company or failing him the Chairman of the General Meeting, if he is the authorised proxy, to vote in favour of the resolutions concerned at the General Meeting, or any other proxy to vote or abstain from voting at the General Meeting as he deems fit, in respect of the Oceana Shareholder's total holding.
3. The completion and lodging of this form of proxy will not preclude an Oceana Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Oceana Shareholder wish to do so.
4. In case of joint holders, the vote of the most senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, for which purpose seniority will be determined by the order in which the names appear on the company's register of shareholders in respect of the joint holding.
5. The Chairman of the General Meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the Chairman of the General Meeting.
7. Any alteration or correction to this form of proxy must be initialled by the signatory/ies but will only be validly made if such alteration or correction is accepted by the Chairman of the General Meeting.
8. Forms of proxy must be lodged with or posted to the company, c/o Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received preferably by no later than 14:00 on Monday, 13 July 2015.
9. If the General Meeting is adjourned or postponed, forms of proxy submitted for the General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting unless the contrary is stated on such form of proxy.
10. The appointment of a proxy or proxies:
    a. is suspended at any time and to the extent that an Oceana Shareholder chooses to act directly and in person in the exercise of any rights as an Oceana Shareholder;
    b. is revocable, in which case an Oceana Shareholder may revoke the proxy appointment by:
        i. cancelling it in writing or making a later inconsistent appointment of a proxy; and
        ii. delivering a copy of the revocation instrument to the proxy and to the company's transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107);
    c. if the instrument appointing a proxy or proxies has been delivered to the Company's transfer secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act, 2008, as amended or the Company's Memorandum of Incorporation to be delivered by the Company to the Oceana Shareholder must be delivered by the Company to:
        i. the Oceana Shareholder; or
        ii. the proxy or proxies, if the Oceana Shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so.

Summary of the rights of an Oceana Shareholder to be represented by proxy

For purposes of this summary, the term "shareholder" shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

Shareholders' rights regarding proxies in terms of section 58 of the Companies Act include, inter alia, to at any time appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.

A proxy appointment:

- must be in writing, dated and signed by the shareholder; and
- remains valid for:
    – one year after the date on which it was signed; or
    – any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c); or expires earlier as contemplated in section 58(8)(d) of the Companies Act.

Except to the extent that the memorandum of incorporation of the company provides otherwise:

- a shareholder of that company may appoint 2 (two) or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to the different securities held by the shareholder;
- a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
- a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

Irrespective of the form of instrument used to appoint a proxy:

- the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
- the appointment is revocable unless the proxy appointment expressly states otherwise; and
- if the appointment is revocable, a shareholder may revoke the proxy appointment by: cancelling it in writing, or making a later inconsistent appointment of a proxy; and
- delivering a copy of the revocation instrument to the proxy and to the company.

The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date:

- stated in the revocation instrument, if any; or
- upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.

Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's memorandum of incorporation to be delivered by such company to the shareholder must be delivered by such company to:

- the shareholder, or
- the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.

A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the relevant company or the instrument appointing the proxy provide otherwise.

If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:

- such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
- the invitation or form of proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, contain adequate space to enable a shareholder to write in the name, and if so desired an alternative name, of a proxy chosen by the shareholder and provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or abstain from voting;
- the company must not require that the proxy appointment be made irrevocable; and
- the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.