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30 August 2017

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**Dear Sir**

**Seafarms Group Limited Financial Year 2017 Presentation**

Enclosed is Seafarms Group's Financial Year 2017 Presentation.

Please telephone Harley Whitcombe on (08) 9321 4111 with any queries on the Presentation.

Yours faithfully

**Seafarms Group Limited**

A handwritten signature in black ink, appearing to read "Harley Whitcombe", written over a horizontal line.

Harley Whitcombe  
Company Secretary

ENC

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# **Operational Overview (FY17) & Market Update Project Sea Dragon**

**August 2017**

Transformation of Australia's Largest aquaculture  
shrimp producer into a global player

**Seafarms Group Limited**

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# Seafarms Group Limited Overview

1. Overview of Seafarms Group Limited
2. Operations
3. Project Sea Dragon
4. CO2 Australia

# Overview of Seafarms Group

Australia's largest producer of farmed shrimp

- Seafarms Group Ltd ("Seafarms") is an ASX listed Australian agri-food company, and the largest producer of farmed shrimp in Australia. The farms have been operating since 1988.
- Seafarms existing aquaculture operations are in north Queensland (Cardwell), Australia. Cardwell has been used as a commercial pilot project to implement Project Sea Dragon (PSD) design, operational procedures, methodologies and biosecurity measures since 2014.
- Cardwell is a fully vertically integrated facility. Breeding, growing, processing, marketing and distributing +1,700t per annum of the well-known Crystal Bay™ shrimp brand.
- Seafarms is well advanced in its proposed development, Project Sea Dragon – an industrial scale, integrated, land-based shrimp aquaculture project in northern Australia. All licences/agreements needed to operate the project are nearing completion.
- The Company's carbon business established in 2006 continues to provide positive cash flows.

# SFG Financial Outcome for the 12 months ending 30 June 2017

- For the 12 months reporting period to 30 June 2017, Seafarms has reported a loss in the order of \$19.8m, reflecting the positive cash contributions of domestic shrimp and carbon operations whilst fully expensing all Project Sea Dragon (PSD) development costs, as required by the Australian Accounting Standards. The loss was within Directors expectations.
- The financial outcome for Seafarms is heavily influenced by the high level of expensed investment in developing PSD which to date is in the order of \$43 million with a further \$29 million capital invested in the North Queensland pilot program and operations.
- The Company's North Queensland operations strong financial performance is summarised in slides 10 and 11.
- A 23.3% rise in reported revenues from shrimp sales to around \$29.3million reflects further significant ongoing improvements being achieved in all key operational areas.
- Successfully raised \$12.6million (before costs) from existing and new institutional and retail shareholders. Funds are being used to fast track Project Sea Dragon development.

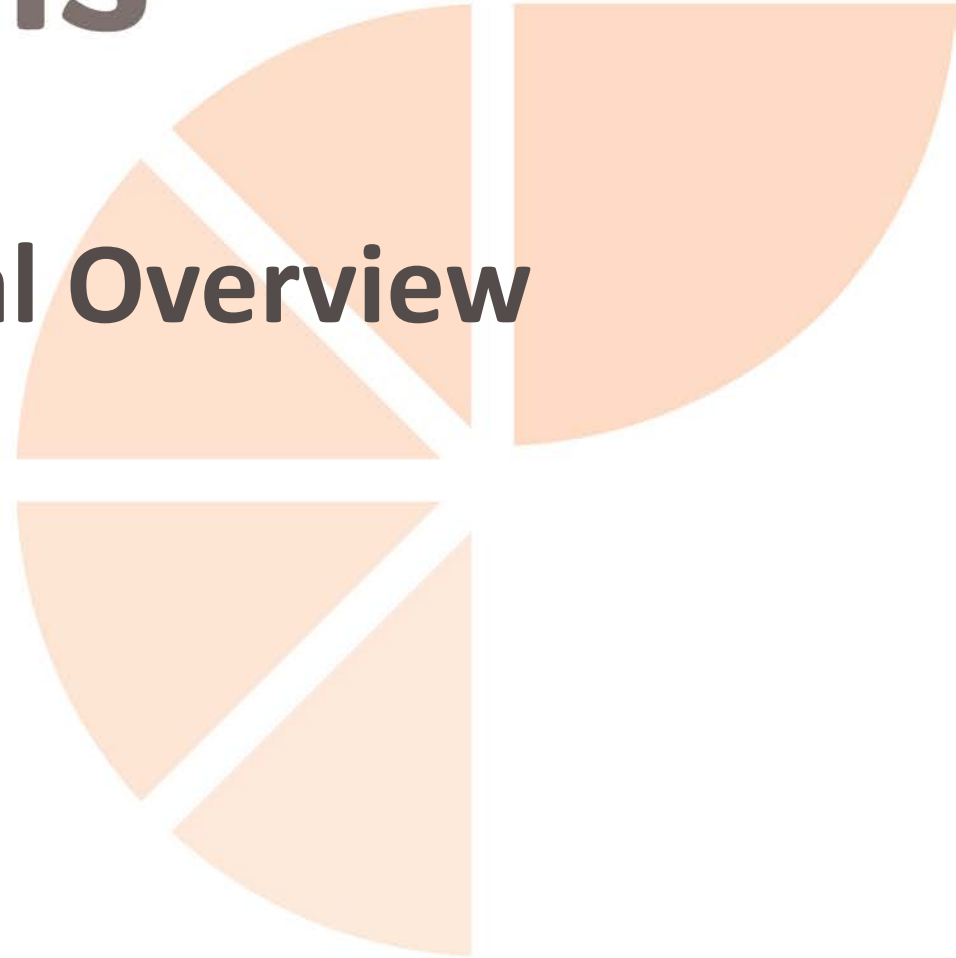
# Seafarms Group Limited

## Corporate Overview

|                                                              |                                                                                        |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------|
| <b>ASX Listing Code</b>                                      | SFG                                                                                    |
| <b>Market Capitalisation (August 2017)</b>                   | \$84m                                                                                  |
| <b>Shares on Issue</b>                                       | 1,403m                                                                                 |
| <b>Cash, Debtors &amp; Inventories<br/>(at 30 June 2017)</b> | \$25.7m                                                                                |
| <b>Long Term Debt (at 5 July 2017)</b>                       | \$5.5m                                                                                 |
| <b>Financial Year End</b>                                    | 30 June                                                                                |
| <b>Directors Shareholdings</b>                               | 36.10%                                                                                 |
| <b>Directors</b>                                             | Ian Trahar (Executive Chairman)<br>Harley Whitcombe<br>Chris Mitchell<br>Paul Favretto |
| <b>Company Secretary</b>                                     | Harley Whitcombe                                                                       |



# Operational Overview



# Current Operations

## 🍷 Hatchery (A)

### 🍷 Innisfail

- 🍷 Domestication program
- 🍷 R&D Project with ARC Research Hub for Advanced shrimp Breeding



## 🍷 Farms

### 🍷 Cardwell (B)

- 🍷 128 ha of ponds
- 🍷 Processing plant
- 🍷 Maintenance division
- 🍷 Farm administration



### 🍷 Ingham (C)

- 🍷 32 ha of ponds



## 🍷 Founder Stock Centre

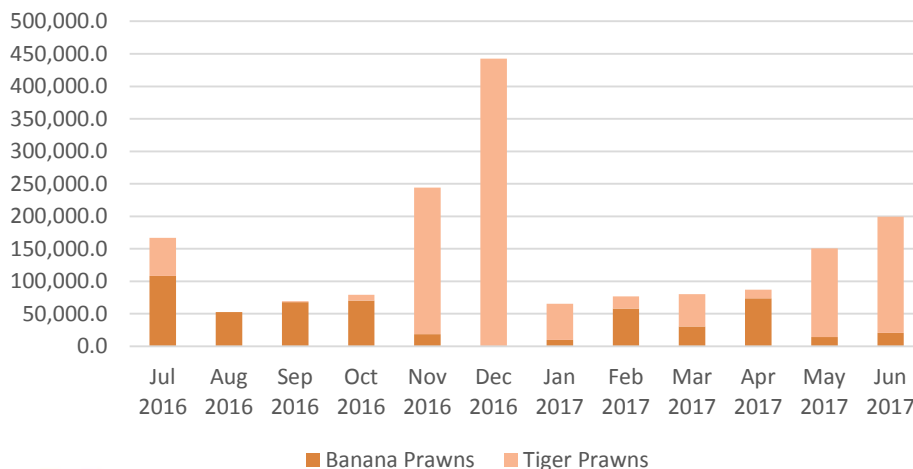
### 🍷 Exmouth (D)

- 🍷 Biosecure broodstock breeding facility

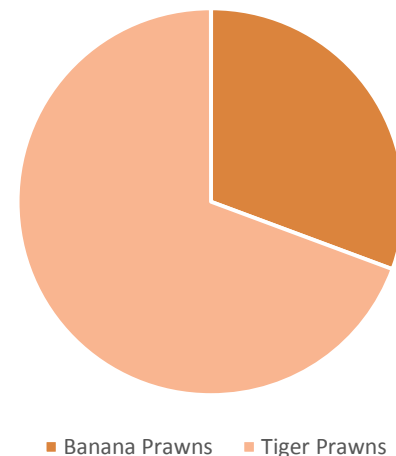
# Production Overview

- Production +1,700 tonnes – up 42%
- Black tiger production up 58% – Black Tiger yields up 35.4% in FY17
- All PLs from Seafarms' hatchery – this further reduces disease risk. Significant increases (27%) in survival rates for FY17
- 98 FTE with a 33% improvement in productivity
- Continues focus on productivity improvements
  - Increase yield and outputs
  - Investing in R & D
  - Identification and implementation efficiencies across all aspects of operations .

FY2017 Production



FY2017 Production Mix



# Operational Outcomes – Cardwell

- Further significant operational improvements achieved at Cardwell.
- Key KPI outcomes for FY17 (when compared to 12 months FY16) include:
  - Revenue ↑23%
  - Gross margins ↑493%
  - EBITDA ↑213%
  - Production (t) ↑41%
  - Yield (t/ha) ↑31%
  - Survival ↑27%
  - Processing rates ↑17% (*kg/man hour*)
  - Food conversion ratio ↓10%
- Operational processes in place proved successful in the effective management of East Coast endemic diseases during FY17.
- Cardwell operation also undertook feed and stocking density trials during FY17, as well as being used as a training facility from Project Sea Dragon.

# Operational Outcomes – Cardwell

- When comparing FY15 – the first full year of production under Seafarms management to FY17 results the KPI improvements are as follows:

|                       |       |
|-----------------------|-------|
| Revenue               | ↑58%  |
| Gross margins         | ↑273% |
| EDITDA margin         | ↑302% |
| Production (t)        | ↑22%  |
| Yields (t/ha)         | ↑17%  |
| Processing rates      | ↑25%  |
| Food conversion ratio | ↓6.5% |

- These improvements cement Seafarms as Australia's largest prawn farming business with significant expertise in operational development.

# Biosecurity

- ❖ **Cardwell issues** – in 2015 Seafarms identified an east coast endemic disease which affected production in FY2016. Seafarms management has been working with both local and international experts and have developed and implemented operational management protocols for managing this endemic disease. The results of these processes are reflected in the FY2017 production results.
- ❖ Seafarms combine disciplines to holistically tackle biosecurity in a multidisciplinary approach
- ❖ **Industry issues updates** – In December 2016 White Spot Syndrome Virus (WSSV) was detected on prawn farms in the Logan River area in South East Queensland. All prawn farms in the area have undertaken a 2 year dry off and been a part of a focused eradication program with Biosecurity Queensland.
- ❖ As a part of the eradication program a surveillance program has been implemented on the East Coast of Queensland. Outside of the initial testing that indicated positives in wild animals in the Logan River and Deception Bay areas (refer Biosecurity Queensland releases for more information) there have been no further positive test results. This includes more than 2,000 samples with all samples returning negative results.
- ❖ The affected area is some 1,200km south of Seafarms operational sites and Seafarms is NOT affected by WSSV
- ❖ NO animals, at any Seafarms site have tested positive for WSSV and Seafarms continues ongoing surveillance of its animals.
- ❖ Seafarms has developed and maintains a high level of operational biosecurity including surveillance, monitoring and control.
- ❖ The WSSV outbreak reinforces the design and choice of site for Project Sea Dragon, where geographic isolation, a high level of inbuilt biosecurity, use of domesticated (and SPF) stock and recirculation are core criteria to maintain a biosecure and disease free operating environment.
- ❖ The outbreak of WSSV is predicted to reduce Australia's farm production by approximately 1,200 tonnes.
- ❖ **Production of Specific Pathogen Free (SPF) broodstock** – The use of SPF broodstock is universally recognised as one of the leading ways to maintain disease free operating environments. Seafarms continues to develop SPF broodstock in line with its biosecurity strategy for Project Sea Dragon. Seafarms' Exmouth facility has successfully produced families in line with this strategy.

# Research and Development

- 🍌 Australian Research Council Hub for Advanced Shrimp Breeding
  - 🍌 James Cook Uni, CSIRO, University of Sydney, Australian Genome Research Facility and Seafarms
  - 🍌 Over 400 families have been produced at Seafarms Queensland Operations
  - 🍌 RNA Sequence data assembled into a transcriptome of the Black Tiger shrimp
  - 🍌 Discovery of over 40,000 DNA markers from Black Tiger shrimpstocks from:
    - 🍌 Joseph Bonaparte Gulf;
    - 🍌 Gulf of Carpentaria; and
    - 🍌 Queensland East Coast.
  - 🍌 DNaseq data is currently being assembled for a first draft genome
  - 🍌 120 SNPs have been defined as sufficient for the determination of parentage and 2,000 SNP+ providing high accuracy for the genetic relationship matrix.
- 🍌 On-farm feed trials



ARC Research Hub for  
**Advanced  
Prawn Breeding**

# Independent Industry Research Results

- Independent research results have highlighted the significant commercial outcomes achievable from domestication and selective breeding programs.
- Research has indicated that four generations of domestication alone can improve farm productivity by approximately 40%. (Seafarms FY17 results were largely based on generation one animals).
- Significant yield improvements can also be achieved via domestication and selective breeding programs. Research results have highlighted that after four years of breeding, average yields of improved stock were 50% higher when compared to ponds stocked with only wild stock progeny. After 8 years average yields gained a further 37%.

# Safety

- ❏ Unsatisfactory outcome for the year, with significant room for improvement.
- ❏ Increased reporting reflects an improved culture and lower tolerance to risk.
- ❏ Further systems and audits implemented to reduce risk in target areas.
- ❏ Improved feed handling processes to reduce risk associated with manual handling.
- ❏ Increase in-field training to improve awareness and outcomes.

# Marketing activities driving growth

- ❑ New brand tag line “Taste the Deliciousness” captures the brand essence - best tasting and highest quality.
- ❑ Video content centred on “Simple & Delicious Prawn” Recipe” videos have promoted ease of use and consumption.
- ❑ Consistent social media strategy has led to growth of social media followers and driven brand engagement.
- ❑ Export orders and international brand advertising developed.





## Project Sea Dragon (PSD)

At full production, PSD will produce up to 150,000 tonnes per annum of black tiger shrimp, in 10,000 hectares of production ponds.

Full production to be achieved over several incremental stages.

# Overview of PSD Team

Highly experienced management team across project development and management, aquaculture operations, finance and business development.

## Key SFG Management Team Members

### **Ian Trahar** Executive Chairman

- Extensive experience in the resource and financial services across multiple industries and organisations
- Previous roles include joint CEO of Avatar Industries, Chairman of Ranger Minerals along with executive roles at Shell Australia and Citibank

### **Dr. Chris Mitchell** Managing Director – PSD

- 20+ years experience in Australian and international climate change research holding both senior and executive roles
- Foundation Director of the Centre for Australian Weather and Climate Research

### **Ian Leijer** Commercial Director

- Chartered Accountant with 20+ years experience in corporate finance, strategy and business management
- Previously CFO of former ASX listed Company Avatar Industries Ltd and interim CEO of ASX listed Kresta

### **Dallas Donovan** Chief Operating Officer

- 20+ Years aquaculture experience including technical and production management, harvesting, processing and marketing
- 6 years managing the National Prawn Company in Saudi Arabia – one of the world's largest fully integrated aquaculture operations

### **Jair Llanos** Technical/Production Manager

- 35+ years of experience in Saudi Arabia and South America
- Direct experience managing commercial shrimp operations, including extensive experience in large scale prawn/shrimp aquaculture including hatchery, breeding programs and grow out

### **Owen Stacy** Director PSD Project Delivery

- 40 years experience in engineering and project management with major infrastructure, mining, ports, power generations and industrial projects
- Company governance, strategic planning, risk management and feasibility study processes

# PSD Update

Significant progress has been achieved over the last 9 months; momentum continues. Finalisation of all key licences to operate nearing completion.

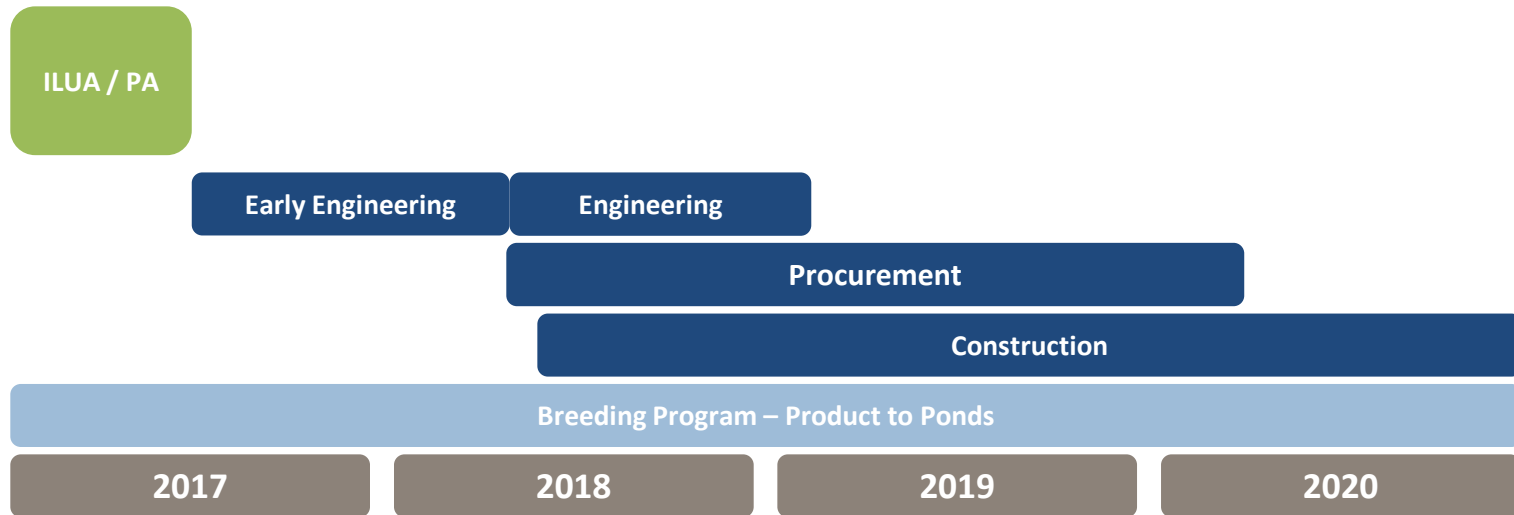
## Key Project Workstream Status

|   | Workstream                        | Status                                                                                              |
|---|-----------------------------------|-----------------------------------------------------------------------------------------------------|
| 1 | Project Design                    | Earthwork studies ✓                                                                                 |
|   |                                   | Feasibility study ✓                                                                                 |
|   |                                   | Trial Ponds constructed ✓                                                                           |
| 2 | Site access and agreements        | Legune Station ✓                                                                                    |
|   |                                   | Staff accommodation lease ✓                                                                         |
|   |                                   | Exmouth Quarantine and Founder Stock Centre operational ✓                                           |
|   |                                   | Processing plant Lease Agreement with WA Gov ✓                                                      |
| 3 | Approvals and permits             | Environmental Approvals – NT Government                                                             |
|   |                                   | Legune Station ✓                                                                                    |
|   |                                   | Bynoe Harbour Breeding Facilities ✓                                                                 |
|   |                                   | Environmental Approvals – Commonwealth Government ✓                                                 |
|   |                                   | NT Government Project Agreement Finalisation expected shortly                                       |
| 4 | Traditional land owner engagement | Indigenous Land Use Agreement (ILUA) with relevant traditional owners Finalisation expected shortly |
| 5 | Financial                         | Team engaged - Lazard, Pareto Securities and Andrew Robb ✓                                          |
|   |                                   | Financing due diligence information and expert reviews nearing completion ✓                         |
|   |                                   | Engagement with investors and financiers continuing ✓                                               |
|   |                                   | Growing level of interest both domestically and internationally ✓                                   |

# PSD Update

SFG has secured all major environmental approvals. Finalisation of both the Project Agreement and the ILUA is expected shortly. The start of significant construction is expected to commence in the dry season of 2018.

## Indicative Project Timeline Stage 1 – subject to Project funding



- ✦ To date, SFG has invested over A\$72m on the initial detailed feasibility study, the required EIS approvals and the Queensland operations.
- ✦ Construction is limited to the dry season for PSD.
  - ✦ In Northern Australia, the dry season generally runs from April to October each year
- ✦ Once operational, PSD will operate all year round.

# Key Investment Highlights

PSD offers the opportunity to develop one of the world's largest Black Tiger Prawn industrial aquaculture facility, capturing the benefits of proximity to the world's largest end market for a premium product, a growing forecast supply-demand gap, and operational leverage on a scalable production facility

| Component                                         | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Significant known product demand                | <ul style="list-style-type: none"> <li>Seafood will play a key role in meeting the accelerated demand in protein from a growing global middle class                             <ul style="list-style-type: none"> <li>Global middle class population forecast to increase from 1.8 billion in 2009 to 4.9 billion by 2030</li> <li>Forecast supply is insufficient to meet demand – seafood supply gap is estimated to be &gt;50Mt by 2030</li> </ul> </li> <li>Trial export shipments from existing Queensland operations has demonstrated strong demand for SFG product</li> <li>Australia has already established a reputation of supplying Asian markets with niche high quality seafood products</li> </ul> |
| 2 Proximity to key end markets                    | <ul style="list-style-type: none"> <li>The growth in the global middle class will largely be driven by Asia                             <ul style="list-style-type: none"> <li>Regional preferences for seafood to drive a near doubling in global seafood demand to 261Mt by 2030</li> <li>China is expected to account for 38% of global seafood demand by 2030</li> </ul> </li> <li>Northern Australia ideally located to tap into this important market</li> </ul>                                                                                                                                                                                                                                            |
| 3 Supportive trade framework                      | <ul style="list-style-type: none"> <li>China-Australia Free Trade Agreement enacted by both governments in June 2015</li> <li>Elimination of Chinese tariffs on Australian prawns within 4 years to further improve PSD's relative cost position                             <ul style="list-style-type: none"> <li>Since the China-NZ FTA was introduced, exports of NZ seafood to China have quadrupled</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                  |
| 4 Premium product                                 | <ul style="list-style-type: none"> <li>Black Tiger Prawns attract a premium to the price of the globally traded White Prawn market price index</li> <li>PSD is targeting larger prawn sizes which attracts an additional pricing premium</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 5 Differentiated operations and barriers to entry | <ul style="list-style-type: none"> <li>PSD will be the world's largest producer of Black Tiger Prawns</li> <li>Most competitors produce White Prawns due to more successful domestication and biological performance</li> <li>Black Tiger Prawn aquaculture requires more advanced breeding and domestication techniques, representing significant barriers to entry and enhancing their relative scarcity as a higher quality product                             <ul style="list-style-type: none"> <li>SFG possesses the technology and experience to farm Black Tiger Prawns successfully</li> </ul> </li> </ul>                                                                                              |

# Key Investment Highlights (cont'd)

| Component                                 | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6 Outstanding levels of biosecurity       | <ul style="list-style-type: none"> <li>Prawn disease is a key risk in prawn aquaculture                             <ul style="list-style-type: none"> <li>White spot disease currently identified in the Logan River in South Queensland SFG has successfully managed other disease outbreaks at Cardwell</li> </ul> </li> <li>SFG has developed stringent biosecurity protocols and standards at its North Queensland operations, with key best practice learnings able to be applied to PSD</li> <li>Location and operational structure of PSD provides a significant biosecurity advantage                             <ul style="list-style-type: none"> <li>Sustainable and genetically diverse range of wild stocks with low viral counts for breeding program</li> <li>Separate locations for breeding, grow out and processing activities mitigates risk of disease</li> <li>Geographic remoteness of grow out areas at Legune Station assists in effective quarantine</li> <li>PSD's full vertical integration allows control of prawn specific pathogen free status</li> <li>High quality, pollution free estuarine water</li> </ul> </li> </ul> |
| 7 Opportunity to further improve yield    | <ul style="list-style-type: none"> <li>SFG has demonstrated a 35.4% yield improvement for Black Tiger Prawns over FY2017 at its Queensland operations using in-house operational best practice and breeding techniques. End to end control from founder stock to harvest will allow PSD to capture all yield improvement opportunities</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 8 Scalable operating costs                | <ul style="list-style-type: none"> <li>Low fixed operating cost base, with majority of operating costs scalable to production volumes</li> <li>Queensland operations require 1 FTE for every 13 tonnes of prawns harvested, whilst SFG will target 1 FTE for every 100 tonnes at full production</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 9 Fully vertically integrated project     | <ul style="list-style-type: none"> <li>Control of prawn aquaculture from eggs to prawn harvest and processing allows PSD to                             <ul style="list-style-type: none"> <li>Maximise biosecurity</li> <li>Drive and capture all biological and operational improvements at each stage of the process</li> <li>Deliver a consistent high quality product to customers</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 10 Material upside from additional stages | <ul style="list-style-type: none"> <li>Stage 1 will include headwork infrastructure for all subsequent stages (up to 10,000ha)</li> <li>Limited incremental capital expenditure required for each subsequent stage</li> <li>Benefit of operational leverage for each subsequent stage</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

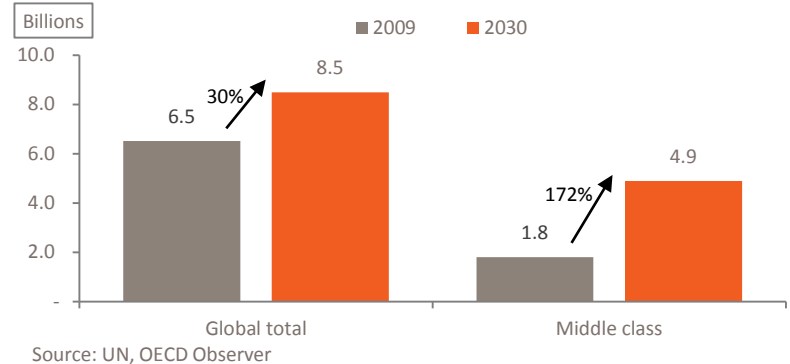
# Growing Global Protein Demand

Seafarms seeks to tap into the accelerated demand for protein from a growing Asian middle class. A significant proportion of this new demand is expected to be met by seafood aquaculture

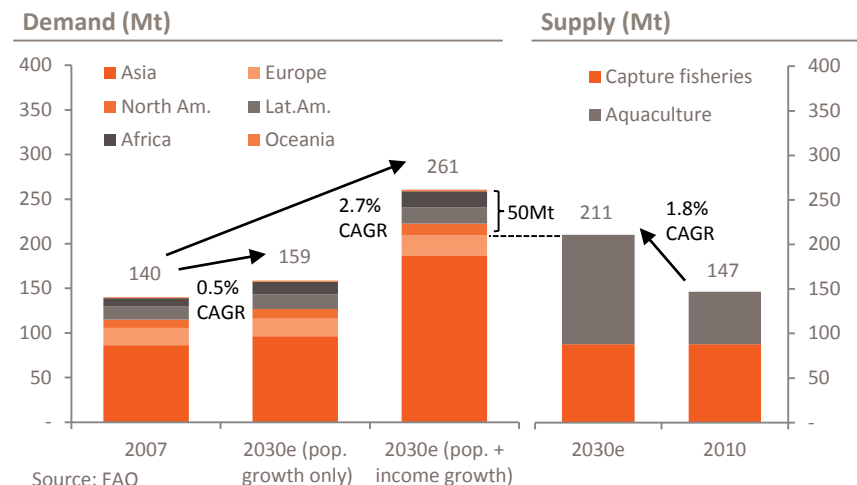
## Key macro-economic trends

- 1 Global population expected to grow to 8.5 billion by 2030
- 2 Levels of urbanisation forecast to increase from 54% in 2015 to 60% by 2030
- 3 Global 'middle class' forecast to increase from 1.8 billion in 2009 to 4.9 billion by 2030
- 4 Key source of growth is Asia, where seafood is culturally preferred over red meat

## Growing Global Population and Middle Class



## The Role of Seafood in Meeting Protein Demand



## Impact

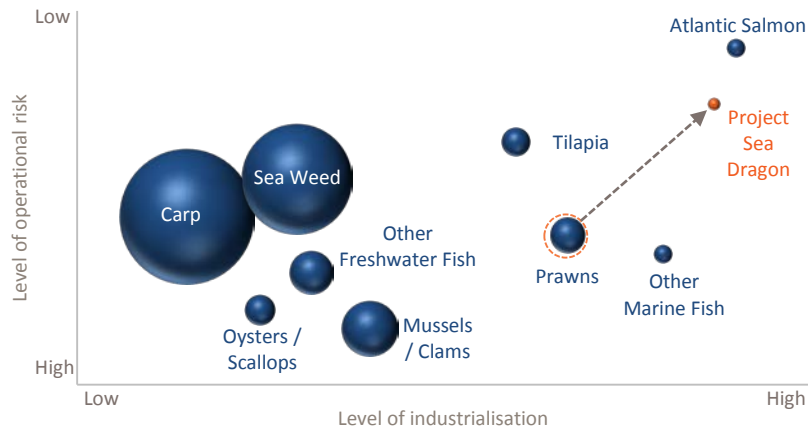
- Annual consumption of protein per capita to increase by 10%, from 41kg to 45kg by 2030
- Global seafood demand will increase by c. 86% from c. 140Mt in 2007 to c. 261Mt in 2030
  - Major part of daily Asian diet
- Forecast aquaculture supply growth is not sufficient to meet forecast demand growth
  - Current baseline supply growth projections to 2030 leave a shortfall of 50Mt

Source: UN, FAO, OECD Observer

# The Role of Aquaculture in Global Protein Supply

The increasing role of aquaculture in meeting global protein demand offers up a number of commercial opportunities.

## Increasing Industrialisation Reduces Risk

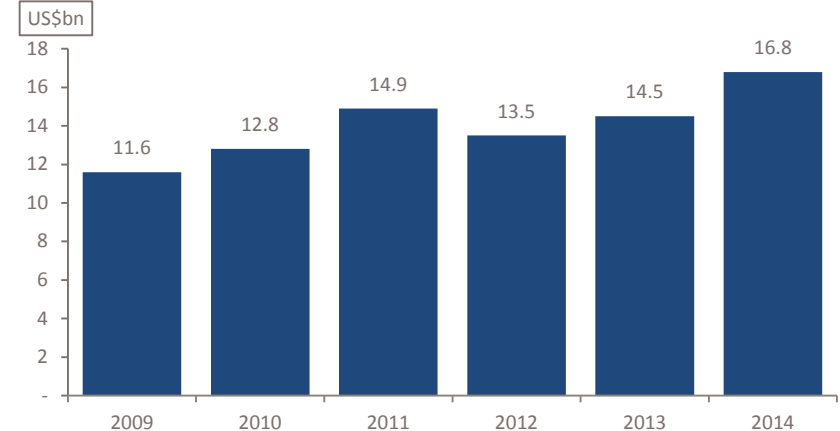


Source: Marine Harvest, Kontali, Pareto Securities

Note: bubble sizes are indicative of relative size of harvest volumes

- Currently there are only a limited number of fully integrated industrial scale prawn aquaculture facilities globally
- The industrialisation of salmon aquaculture has reduced associated operational risks such as biosecurity, quality control and cost management
- Applying the same learnings to prawns is expected to have a similar impact on associated operational risk and profitability
- Seafarms is currently gaining meaningful expertise at its Cardwell operations, which will be leveraged at a greater scale at Project Sea Dragon (PSD)

## Prawn imports by value in EU, US and Japan



Source: Globefish

- Prawns are one of the world's most traded seafood products, with strong recent growth in demand
- White Prawns from Vietnam and South America are currently the most widely farmed and traded species globally
- Black Tiger Prawn variety produced in locations such as Australia are a premium product and attract a price premium to the White Prawn species

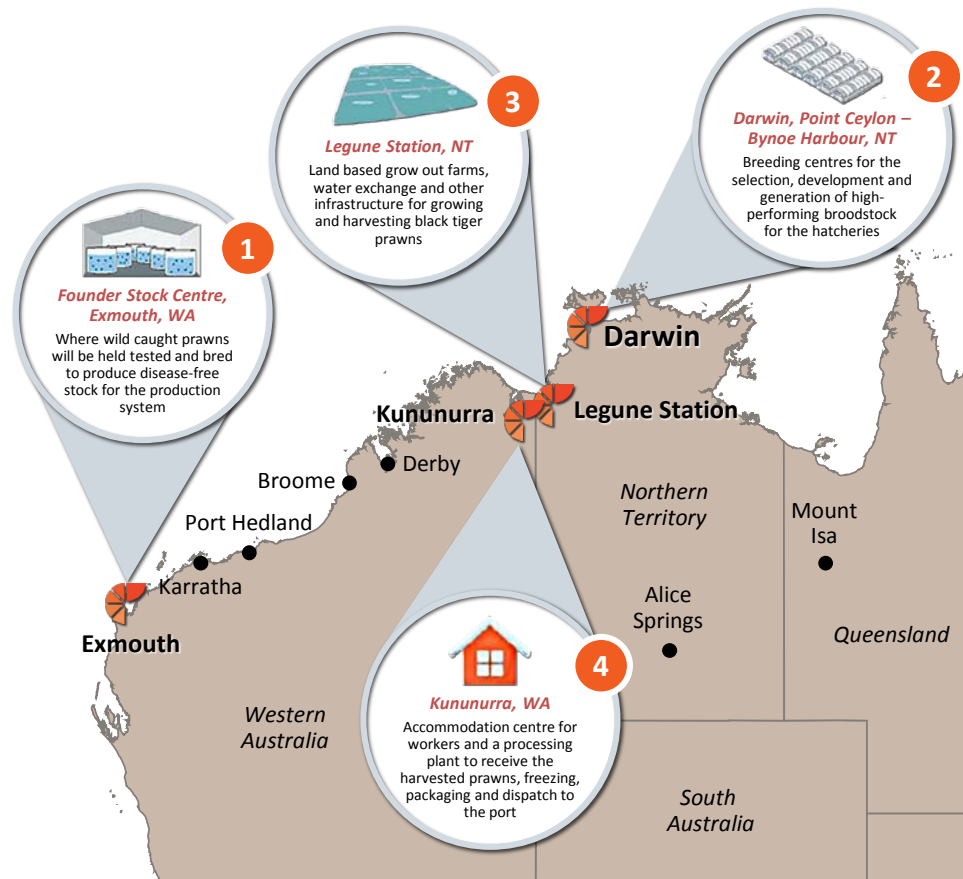
# PSD – A Fully Vertically Integrated Project

Complete end to end control of operations will allow SFG to ensure absolute biosecurity and process control. Four isolated locations have been selected as part of PSD biosecurity controls measures.

## Key Process Steps in PSD Prawn Aquaculture



# PSD Locations



# PSD Key Project Components (Stage 1)

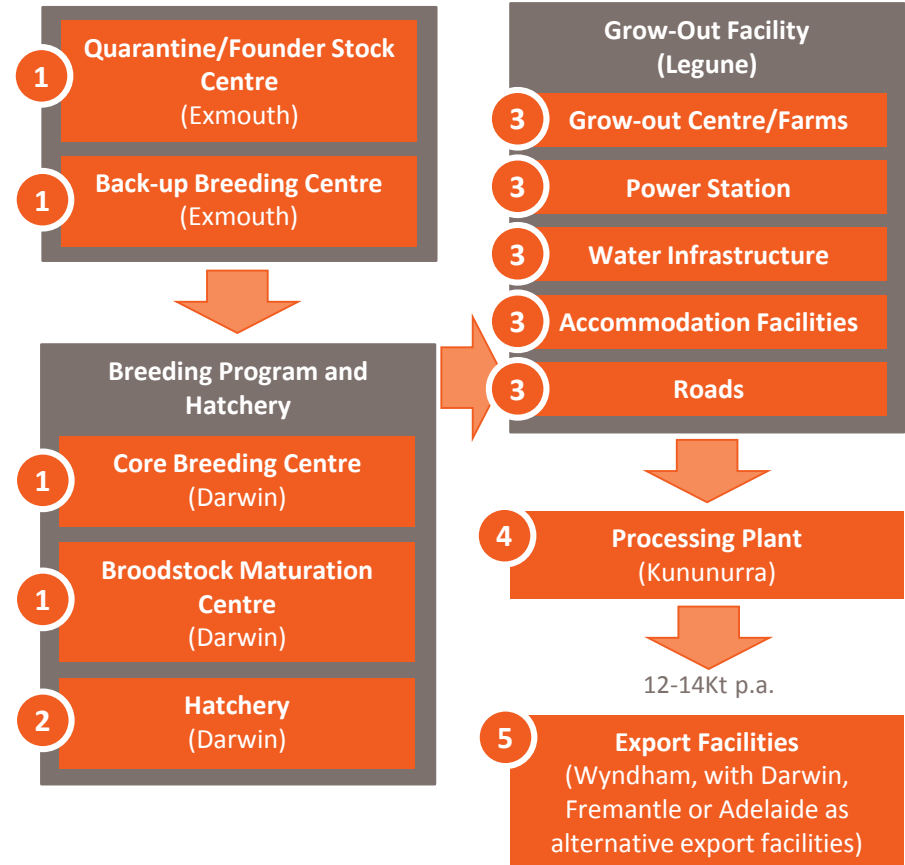
Stage 1 of PSD will involve the construction of 1,120 Ha of ponds as well as all supporting infrastructure for Stage 1 and subsequent stages

- Stage 1 of PSD will comprise of:
  - Breeding facilities
  - Grow-out facility of 3 'farms'
  - Supporting infrastructure for full scale project
- Each farm will consist of up to 40 individual ponds of approximately 10 Ha in size that can operate as an independent production unit
- The construction works have been broken down into defined work packages with preliminary cost forecasts based upon market testing
- Several components of project construction risk mitigated by use of third-party contractors
- Construction for earthworks, the technically simple aspects of project, to be self-performed
- SFG has completed a detailed full scale test pond construction program at Legune

## Project Delivery

| Project Component            | Construction Party                                |
|------------------------------|---------------------------------------------------|
| Earthworks                   | PSD self perform                                  |
| Facilities, plants and roads | Third-party contractor, largely fixed price basis |
| Power station                | Third party BOO                                   |

## Key Stage 1 Project Components



# Government Support for PSD

| Component                                           | Benefit for PSD                                                                                                                                                                                                                                                      | Description                                                                                                                                                                                                     |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Major Project Status                              |  Priority and streamlined access to individual governments via relevant ministers to facilitate approvals process                                                                   |  PSD was awarded Major Project Status                                                                                        |
|                                                     |                                                                                                                                                                                                                                                                      | Northern Territory Government July 2015                                                                                                                                                                         |
|                                                     |                                                                                                                                                                                                                                                                      | Federal Government July 2015                                                                                                                                                                                    |
|                                                     |                                                                                                                                                                                                                                                                      | Western Australia September 2015                                                                                                                                                                                |
| 2 Northern Australia Infrastructure Facility (NAIF) |  Seafarms has initiated a dialogue for PSD to access concessional project loans                                                                                                     |  The Australian Federal Government has made A\$5 billion available in concessional loans for infrastructure through the NAIF |
| 3 China-Australia Free Trade Agreement (ChAFTA)     |  Elimination of Chinese tariffs on Australian prawns within 4 years will improve cost competitive position of PSD’s product further                                                 |  ChAFTA enacted by both governments in June 2015                                                                             |
|                                                     |  China is expected to account for 38% of global seafood demand by 2030 <sup>1</sup>                                                                                                 |  Since the China-New Zealand FTA was introduced, exports of New Zealand seafood to China have quadrupled                     |
| 4 Approvals and Agreements                          |  Government(s) support package, including commitment to upgrade access roads to all weather surfaces, accommodation facility and land lease/purchase agreement for processing plant |  A Project Development Agreement with the Northern Territory Government is expected to be finalise shortly                   |
|                                                     |                                                                                                                                                                                                                                                                      |  Commonwealth, Territory and WA Governments commitment to roads                                                            |
| 5 Other                                             |  More efficient licence and permit approval processes for PSD, including Legune Station use as aquaculture                                                                        |  Introduction of reforms to reduce red tape and amend pastoral leases                                                      |

1. Source: World Bank

# Key Benefits of the Project (Stage 1)

## Socio-economic:

- Creates significant long term sustainable jobs
- About 444 jobs to construct Stage 1 alone
- Stage 1 operation workforce of 334 jobs
- Employment suitable for diverse skill sets with the opportunity through ILUA and other mechanisms for indigenous partnerships

## Economic:

- Export revenues of \$195 million
- Adds a cumulative \$502 million to NT economy
- The real income of the NT increases
- Economic diversification



**Seafarms Group –  
CO2 Australia Limited**

# CO2 Australia Limited

- CO2 provides carbon and environmental services
- 100% owned subsidiary
- Profitable business providing cash flows for SFG
- Continues to secure new business
- Owns a substantial portfolio of emissions credits
- Well positioned for a resurgence in the carbon economy
- Normalised segment results:

|                                     | \$ '000 |
|-------------------------------------|---------|
| Carbon services (per Annual Report) | (277)   |
| Add back:                           |         |
| Amortisation and depreciation       | 298     |
| Loss on disposal                    | 627     |
| Normalised EBITDA                   | 648     |

# Directors and Officers



Ian Trahar  
Executive Chairman



Dr Chris Mitchell  
Executive Director



Dallas Donovan  
Chief Operating Officer



Harley Whitcombe  
Executive Director and CFO





## Contact Us

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