



Our Ref: ASX Announce 7.1A Disclosure and Appendix 3B (614)

15 May 2019

ANNOUNCEMENT 614

Market Announcements Office
Australian Securities Exchange
Level 6
20 Bridge Street
SYDNEY NSW 2000

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(including this page)

Nissui further investment – Issue of Shares and Disclosure under ASX Listing Rules 7.1A.4(b) & 3.10.5A

Further to its announcement on 29 April 2019, Seafarms Group Limited (ASX: SFG) (**Seafarms**) is pleased to advise that it has issued 33,311,111 fully paid ordinary shares (**Shares**) to industry partner, global seafood giant Nippon Suisan Kaisha Limited (**Nissui**) at an issue price of \$0.09 per Share, raising a total of \$2.998 million (**Nissui Placement**). The Nissui Placement was conducted in connection with Nissui's contractual anti-dilution right to participate in new issues of securities to maintain its interest in Seafarms, which was activated by Seafarms' recently completed \$20 million Share placement.

Disclosure required under Listing Rules 3.10.5A and 7.1A.4(b)

The Shares issued under the Nissui Placement were issued pursuant to Seafarms' additional 10% placement capacity under Listing Rule 7.1A. Accordingly, Seafarms provides the following information under Listing Rule 3.10.5A and Listing Rule 7.1A.4(b):

- (a) A total of 33,311,111 Shares were issued under Listing Rule 7.1A (representing 1.73% of post-Nissui Placement capital, and resulting in a dilution to existing shareholders of that amount). Nissui, an existing shareholder of Seafarms, was the only participant.

The capital in Seafarms following the Nissui Placement is as follows:

- | | |
|--|--------|
| • Existing shareholders who didn't participate in the 7.1A Issue | 85.27% |
| • Existing shareholders who did participate in the 7.1A Issue | 14.73% |
| • New shareholders pursuant to the 7.1A Issue | 0% |

- (b) The Nissui Placement was conducted in connection with Nissui's contractual anti-dilution right. In general terms, this right entitles Nissui to be offered to subscribe for the number of Shares required to enable it to maintain its shareholding percentage in Seafarms immediately prior to a capital raising by Seafarms (in this case the recently completed \$20 million Share placement). While other shareholders did not participate in the Nissui Placement, they have also been provided with an opportunity to subscribe for Shares at the same issue price under the Share Purchase Plan announced by Seafarms on 5 April 2019 which has been extended until 22 May 2019.

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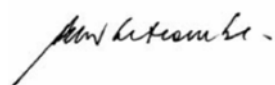
(c) No broker, underwriting or other fees are payable in association with the Nissui Placement

Enclosed is an Appendix 3B for the securities issued under the Nissui Placement.

The cleansing notice in respect of the Shares issued pursuant to the Nissui Placement follows.

Yours faithfully

Seafarms Group Limited



Harley Whitcombe
Director and Company Secretary

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About Seafarms Group

Seafarms Group Limited (ASX: SFG) is an ASX listed holding company with separate subsidiary aquaculture companies. Seafarm Operations Pty Ltd operates aquaculture operations in northern Queensland, producing high-quality seafood. Seafarms is currently the largest producer of farmed prawns – growing, processing and distributing the well-known Crystal Bay Prawns™ premium brand.

For further information refer the company's web site: www.seafarms.com.au

Project Sea Dragon

Project Sea Dragon Pty Ltd is developing Australia's largest integrated land-based prawn aquaculture project in northern Australia designed to produce high quality, year-round reliable volumes for export markets.

For further information refer the company's web site: www.seafarms.com.au/about-project-sea-dragon/

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Seafarms Group Limited

ABN

50 009 317 846

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 33,311,111 fully paid ordinary shares issued pursuant to the top-up rights under the Shareholder Rights Agreement finalised in August 2018 (see SFG Nissui Further Investment announcement to ASX dated Monday, 29 April 2019 for further information) |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	The shares issued will rank equally with those currently on issue.
5	Issue price or consideration	\$0.09
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	As announced on 29 April 2019 the funds received from Nippon Suisan Kaisha Limited coupled with the recent share placement will be used to further expedite the Company's overall strategy of generating more Project Sea Dragon product more quickly.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes.
6b	The date the security holder resolution under rule 7.1A was passed	Friday 23 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	Nil.

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	33,311,111
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil.
6f	Number of +securities issued under an exception in rule 7.2	Nil
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes – Issue Date : 15 May 2019 Issue price of \$0.09 will be 1.25% discount to the 15 day VWAP to 15 May 2019, being the date on which the price at which the securities were to be issued was agreed. Source of VWAP calculations – Argonaut
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 – 19,454 7.1A – 81,261,560
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	15 May 2019

+ See chapter 19 for defined terms.

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		1,672,871,626	Fully paid ordinary shares.
		249,919,097	Fully paid ordinary shares under voluntary escrow for a maximum period of 3 years from the date of issue (until 7 August 2021).
		125,788,882	Listed options with an exercise price of \$0.097 and expiring 17 July 2021.
		28,355,534	Listed options with an exercise price of \$0.097 and expiring 17 July 2021 under a voluntary escrow period of 3 years from the date of issue (until 7 August 2021).

⁺ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	30,150,189	Convertible preference shares.
	30,000,000	Unlisted options granted 22 August 2017 with an exercise price of \$0.097 and expiring 22 August 2021.
	5,000,000	Unlisted options granted 18 January 2018 with an exercise price of \$0.097 and expiring 31 October 2021.
	5,320,622	Unlisted options granted 7 August 2018 with an exercise price of \$0.062 and expiring on 1 June 2023 under a voluntary escrow period of 3 years from the date of issue.
	30,000,000	Unlisted options granted on 12 December 2018 with an exercise price of \$0.10.
	50,000,000	Unlisted options granted on 12 December 2018 with an exercise price of \$0.10.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The new shares will have the same dividend entitlements as existing shares on issue. The listed and unlisted options will not confer rights to any dividends, distributions or interest payments.

+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A

+ See chapter 19 for defined terms.

23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	N/A

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 100px;"></td> <td style="height: 100px;"></td> </tr> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

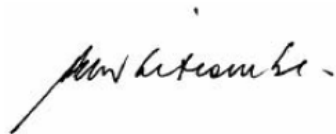
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Executive Director and Company secretary

Date: 15 May 2019

Print name: Harley Whitcombe

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,403,584,698
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	13,500,000 – 21 May 2018 (on conversion of performance rights – issued under rule 7.2 exception 9). 249,877,657 – 7 August 2018 (issue of new shares approved under rule 7.1). 8,333 – 20 August 2018 (on exercise of listed options - issued under rule 7.2 exception 4). 176,675 – 14 September 2018 (on exercise of listed options - issued under rule 7.2 exception 4). 16,666 – 25 September 2018 (on exercise of listed options - issued under rule 7.2 exception 4). 8,333 – 5 October 2018 (on exercise of listed options - issued under rule 7.2 exception 4). 24,999 – 12 October 2018 (on exercise of listed options - issued under rule 7.2 exception 4). 41,440 – 5 November 2018 (on exercise of listed options - issued under rule 7.2 exception 4). 16,666 – 18 January 2019 (on exercise of listed options – issued under rule 7.2

+ See chapter 19 for defined terms.

	exception 4). 1,923 – 16 April 2019 (on exercise of listed options – issued under rule 7.2 exception 4)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	1,667,257,390
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	250,088,608 (subject to the effects of rounding).
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: - Under an exception in rule 7.2 - Under rule 7.1A - With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i>	30,000,000 Unlisted options granted on 12 December 2018 with an exercise price of \$0.10. 50,000,000 Unlisted options granted on 12 December 2018 with an exercise price of \$0.10. 170,069,154 – 12 April 2019 (issue of new shares approved under rule 7.1).
“C”	250,069,154
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	250,088,608 (subject to the effects of rounding).

+ See chapter 19 for defined terms.

Subtract “C” <i>Note: number must be same as shown in Step 3</i>	250,088,608
Total [“A” x 0.15] – “C”	19,454 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,667,257,390
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	166,725,739 (subject to the effects of rounding)
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	• 52,153,068 – 12 April 2019 (issue of new shares approved under rule 7.1) • 33,311,111 – 15 May 2019 (issue of new shares approved under rule 7.1)
“E”	85,464,179

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	166,725,739 (subject to the effects of rounding)
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	85,464,179
Total [“A” x 0.10] – “E”	81,261,560 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.