

Our Ref: SFG ASX Announce Equity Raising (438)

7 July 2015

ANNOUNCEMENT 438

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

By ASX Online
Number of pages: 2
(including this page)

Dear Sir,

\$6 million placement and non-renounceable entitlement offer to raise up to \$10.6 million

Seafarms Group Limited (**Seafarms**) is pleased to announce a placement and pro rata non-renounceable entitlement offer to raise a total of approximately \$16.6 million.

Seafarms Group Limited (**Seafarms** or the **Company**) has completed a placement within the Company's 15% placement capacity under ASX Listing Rule 7.1 which will result in the issue of approximately 85.7 million fully paid ordinary shares at \$0.07 each to sophisticated clients of the joint lead managers Euroz Securities Limited, Moelis & Company and Wilson HTM to raise \$6 million (before costs) (**Placement**).

In addition to the Placement, Seafarms will undertake a pro rata non-renounceable, non-underwritten entitlement offer under which eligible shareholders will be able to subscribe for 2 new fully paid ordinary shares for every 9 ordinary shares held on the record date (**Entitlement Offer**). The offer price of the Entitlement Offer is \$0.065 per share and will raise approximately \$10.6 million before costs of the issue if all eligible shareholders subscribe for their full entitlement. Participants in the Placement will be eligible to participate in the Entitlement Offer.

Seafarms intends to use the proceeds raised under the Placement and the Entitlement Offer:

- to complete a bankable feasibility study on the Company's Project Sea Dragon;
- to repay \$3.5 million of the existing fully drawn \$8.5 million credit facility between the Company and an entity controlled by Ian Trahar; and
- for general working capital.

The Entitlement Offer will be made to persons registered as a shareholder of Seafarms on the record date with a registered address in Australia or New Zealand. New shares issued under the Placement and Entitlement Offer will rank equally with all ordinary shares already on issue. Under the Entitlement Offer, Seafarms will issue a maximum of 164,407,063 new ordinary shares, resulting in the total share capital of Seafarms after the completion of the Placement and Rights issue increasing up to 904,238,846 fully paid ordinary shares.

Ian Trahar and Paul Favretto (Seafarms' two largest shareholders) will take up all their rights under the Entitlement Offer. Approximately \$5.2 million will be raised from these parties.

The Entitlement Offer will not be underwritten, but will contain a shortfall facility. Under the shortfall facility eligible shareholders may apply for additional new shares in excess of their entitlement.

If any shortfall remains after this process it may be offered by Seafarms to sophisticated or professional investors at a price which is not less than the price offered to eligible shareholders under the Entitlements Offer. Any such offer must take place within three months of the closing date of the Entitlement Offer.

Level 11, 225 St Georges Terrace Perth WA 6000
PO Box 7312 Cloisters Square Perth WA 6850

Tel. 08 9321 4111
Fax. 08 9321 4411

www.seafarms.com.au
ABN 50 009 317 846

Eligible shareholders who do not take up their entitlements will have their proportional interest in Seafarms diluted. If no shareholders, other than Mr Trahar (and entities controlled by him) and Mr Favretto (and entities controlled by him) take up their entitlements, Mr Trahar's interest in Seafarms will increase from 44.57% (post-Placement) to 49.15%. Ian Trahar (Seafarms' largest shareholder) has indicated his intention not to participate in the shortfall facility.

Summary of Important Dates

Announcement of Placement and Entitlement Offer	7 July 2015
Settlement of Placement	13 July 2015
Allotment of Placement Shares	14 July 2015
Shares quoted on an "ex" basis	17 July 2015
Record date	5pm (AWST), 21 July 2015
Offer document and entitlement form dispatched to eligible shareholders	24 July 2015
Opening date of Entitlement Offer	24 July 2015
Closing date for Entitlement Offer	5pm (AWST), 7 August 2015
New shares commence trading on ASX on a deferred settlement basis	10 August 2015
Issue of new shares	13 August 2015
New shares commence trading on ASX on normal settlement basis	14 August 2015
Dispatch of holding statements to shareholders	14 August 2015

These dates are indicative only and may be subject to change. Subject to the Corporations Act and the Listing Rules, the Company reserves the right to vary the timetable without prior notice including by extending the Closing Date or closing the Entitlement Offer early.

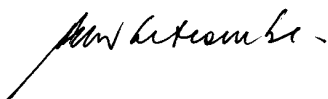
Enquiries

If you have any questions regarding your entitlement please contact Seafarms' share registry, Computershare Investor Services Pty Ltd, by telephone on 1300 798 306 (inside Australia) or +61 3 9415 4830 (outside Australia).

General enquiries in relation to Seafarms or the Entitlements Offer can be made to the Company Secretary at Level 11, 225 St Georges Terrace, Perth, Western Australia or by telephone on +61 8 9321 4111 at any time between 8.30am and 5.00pm (AWST time) on any business day until the closing date of the Entitlement Offer.

Yours faithfully

Seafarms Group Limited



Harley Whitcombe
Director and Company Secretary