



Our Ref: SFG ASX Announce Demerger complete and letter to optionholders (567)

23 July 2018

ANNOUNCEMENT 567

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

By ASX Online
Number of pages: 6
(including this page)

Dear Sir

Demerger of CO2 Australia and letter to optionholders

Seafarms Group Limited ACN 009 317 846 (**SFG**) advises that the pro rata *in specie* distribution of its shares in CO2 Australia Limited to SFG's shareholders was completed today.

Each eligible SFG shareholder received one share in CO2 Australia Limited for every share in SFG held on the record date of 19 July 2018. SFG advises that share certificates in respect of these shares are scheduled to be dispatched on 25 July 2018.

A letter to SFG's optionholders advising of the change to the exercise price of the listed and unlisted options pursuant to ASX Listing Rule 7.22.3 will be dispatched today in the form enclosed.

Yours faithfully

Seafarms Group Limited

A handwritten signature in black ink, appearing to read "Harley Whitcombe".

Harley Whitcombe
Company Secretary

Seafarms Group Limited
ABN 50 009 317 846

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About Seafarms Group

Seafarms Group Limited (ASX: SFG) is an ASX listed holding company with separate subsidiary businesses operating in nonconventional commodities: aquaculture and carbon. Seafarms Operations Pty Ltd operates aquaculture assets and CO2 Australia Limited the carbon and environmental operations.

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

About Seafarms Operations Pty Ltd.

Seafarm – a Australian agri-food company – operates, builds and invests in sustainable aquaculture production platforms producing high-quality seafood. Seafarms is currently the largest producer of farmed prawns –growing, processing and distributing the well-known Crystal Bay Prawns™ premium brand. The company is one of Australia's largest aquaculture enterprises.

About Project Sea Dragon

Seafarms Group is developing Project Sea Dragon – a large scale, integrated, land based prawn aquaculture project in northern Australia designed to produce high-quality, year-round reliable volumes for export markets.

For further information refer the <https://seafarms.com.au/about-project-sea-dragon/>



23 July 2018

Dear Optionholder

Demerger – change to option exercise price pursuant to demerger

Seafarms Group Limited ACN 009 317 846 (**SFG**) has completed the demerger of its environmental services business. The demerger was conducted by undertaking an equal capital reduction through the pro-rata *in specie* distribution of all shares in CO2 Australia Limited to shareholders of SFG registered on the record date of 19 July 2018. Each Eligible SFG shareholder received one share in CO2 Australia Limited for every SFG share held on the record date.

In accordance with ASX Listing Rule 7.22.3, the implementation of the demerger requires that the exercise price of all outstanding options in SFG be reduced by \$0.0027. SFG advises that the exercise price for the listed and unlisted options has been reduced from \$0.10 to \$0.097.

Please find enclosed a new option exercise form which you may use to exercise the listed options at any time before the expiry date of your options.

Yours faithfully

Seafarms Group Limited

A handwritten signature in black ink, appearing to read "Harley Whitcombe".

Harley Whitcombe
Company Secretary

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Application Form on Exercise of Options Expiring at 5.00pm AWST on 17 July 2021

To the Directors, Seafarms Group Limited

I/We hereby exercise option(s) and hand you herewith my/our cheque for \$
being \$0.097 per share on application for shares in the capital of the Company.

I/We request that you allot me that number of shares and I/we agree to accept that number of shares on the terms below and the Constitution of the Company, and I/we authorise you to place my/our name on the register.

My/Our SRN/HIN (as shown on my/our Issuer Sponsored holding statement or CHESS holdings statement) is

Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with my/our instructions set out above.

Individual or Securityholder 1

Director

Securityholder 2

Director/Company Secretary

Securityholder 3

Sole Director and
Sole Company Secretary

*Note: when signed under Power of Attorney, the attorney states that they have not received a notice of revocation.
Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.*

Contact Name

Contact Telephone Number

Day/Date Month Year

**Terms and Conditions of
Options Attached**

LODGEMENT INSTRUCTIONS

Cheques shall be in Australian currency made payable to Seafarms Group Limited and crossed "Not Negotiable".
The application for shares on exercise of the options with the appropriate remittance should be lodged at the Company's Registry,
Computershare Investor Services Pty Limited, GPO Box D182, Perth WA 6840.

Seafarms Group Limited

ABN 50 009 317 846

Option Terms:

(a) Entitlement

Each Option entitles the holder to subscribe for 1 Share upon exercise of the Option and payment of the Exercise Price (defined below).

(b) Exercise Price

Each Option is exercisable at A\$0.097 (Exercise Price)

(c) Expiry Date

The Options automatically expire at 5.00pm AWST on 17 July 2021 (Expiry Date).

(d) Quotation

The Options will be quoted on ASX.

(e) Holding Statement

The Company must give the holder of each Option a holding statement stating:

- (i) the number of Options issued to each holder;
- (ii) the Exercise Price of the Options; and
- (iii) the date of issue of the Options.

(f) Exercise

Holders may exercise the Options at any time up to the Expiry Date. Any Option not exercised, automatically expires on the Expiry Date

(g) Notice of Exercise

Options may only be exercised during the hours of 8.30am to 5.00pm AWST (Business Hours) by the delivery to the registered office of the Company or the Company's share registry a notice in writing stating the intention of the holder to:

- (i) exercise all or a specified number of the Options; and
- (ii) pay the Exercise Price in full for the exercise of each such Option.
- (iii) A notice in writing received outside of Business Hours will be deemed received at the next opening of Business Hours.
- (iv) The exercise notice must be accompanied by the holding statement for the options being exercised and a cheque made payable to the Company for the Exercise Price for the Options being exercised.
- (v) The Options will be deemed to have been exercised on the date the exercise notice is received or deemed to be received by the Company or the Company's share registry.

(h) Issue of Shares on Exercise

The Company will allot the Shares to which a holder is entitled following exercise of Options and deliver a holding statement with respect to such Shares within the timeframe required by the ASX Listing Rules.

(i) Partial Exercise

- (i) The exercise of only some Options will not affect the rights of the holder to the balance of the Options held by them.
- (ii) If the holder of the Options exercises less than the total number of Options registered in the holder's name, the Company must issue the holder of Options a new holding statement for the remaining number of Options held by the holder.

(j) No Dividends

Options will not confer an entitlement to receive dividends declared and paid by the Company, nor an entitlement to vote at general meetings of the Company unless the holder of the Options has exercised the Options before the Exercise Date and participates as a result of holding Shares.

(k) Shares on Exercise

All Shares issued on exercise of an Option will:

- (i) rank equally in all respects (including, without limitation, rights relating to dividends) with other issued Shares;

Seafarms Group Limited

ABN 50 009 317 846

- (ii) be issued credited as fully paid;
- (iii) be duly authorised and issued by all necessary corporate action; and
- (iv) be allotted and issued free from all liens, charges and encumbrances whether known about or not, including statutory and other pre-emption rights and any transfer restrictions.

(l) Quotation

The Company will apply to ASX for official quotation of the Shares issued upon exercise of Options within the time period required by the ASX Listing Rules.

(m) Bonus Issues

A holder of Options does not have the right to participate in bonus issues or new issues of securities offered to Shareholders until Shares are allotted to the holder pursuant to the exercise of the Options.

If the Company makes a bonus issue to existing Shareholders and no Share has been issued in respect of that Option before the record date for determining entitlements to the issue, then the number of Shares over which that Option is exercisable will be increased in the manner permitted by the ASX Listing Rules applying at the time of the bonus issue.

(n) Reorganisation of Capital

In the event of a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the capital of the Company, the rights of the holders of Options (including, without limitation, the number of Options to which the holder of Options is entitled to and the Exercise Price) will be changed (as appropriate) in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(o) Pro Rata Issues

If the Company makes a pro-rata issue (other than a bonus issue) to existing Shareholders and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the Exercise Price of each Option will be reduced in the manner permitted by the ASX Listing Rules applying at the time of the pro-rata issue.

(p) Registered Holders

The Company is entitled to treat the registered holder of an Option as the absolute holder of that Option and is not bound to recognise any equitable or other claim to, or interest in, that Option on the part of any person other than the registered holder, except as ordered by a court of competent jurisdiction or as required by statute.