



Our Ref: SFG ASX Announcement Waiver from Listing Rule 6.18 (568)

24 July 2018

ANNOUNCEMENT 568

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

By ASX Online
Number of pages: 3
(including this page)

Dear Sir

ASX Waiver Decision - Listing Rule 6.18

Seafarms Group Limited (**SFG** or **Company**) refers to its announcement of 23 May 2018 in relation to the proposed \$24.99 million equity investment by Nippon Suisan Kaisha Limited (**Nissui**) in the Company.

As previously announced, it is a condition to the completion of the transaction that the Company obtain a waiver from Listing Rule 6.18 to permit Nissui to maintain its percentage shareholding in SFG (up to a maximum of 14.99%) by participating in new issues of SFG securities.

The Company is pleased to announce that the ASX has granted the necessary waiver from Listing Rule 6.18. The terms of the waiver are set out in the Annexure.

Yours faithfully

Seafarms Group Limited

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

Harley Whitcombe
Company Secretary

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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/>

Annexure

ASX Limited has considered the Company's application and decided as follows:

1. Based solely on the information provided, and pursuant to the strategic alliance encompassing a subscription agreement, offtake, sales support and marketing arrangements ("Strategic Alliance") between Seafarms Group Limited (the "Company") and Nippon Suisan Kaisha Ltd and its related bodies corporate ("Nissui"), ASX Limited ("ASX") grants the Company a waiver from listing rule 6.18 to the extent necessary to permit Nissui to maintain, by way of a right to participate in any issue of securities or to subscribe for securities, its percentage interest in the issued share capital of the Company up to a maximum of 14.99% (the "Top Up Right") in respect of a diluting event which occurs, on the following conditions.
 - 1.1. The Top Up Right lapses on the earlier of:
 - 1.1.1. the date on which Nissui ceases to hold in aggregate at least 5% relevant interest in the Company (other than as a result of shares (or equity securities) to which the Top Up Right applies and in respect of which Nissui is still entitled to exercise, or has exercised, the Top Up Right);
 - 1.1.2. the date on which Nissui's relevant interest in the Company exceeds 25%; or
 - 1.1.3. the strategic relationship between the Company and Nissui ceasing or changing in such a way that it effectively ceases.
 - 1.2. The Top Up Right may only be transferred to a related body corporate of Nissui.
 - 1.3. Any securities issued under the Top Up Right offered to Nissui must be issued to Nissui for cash consideration that is:
 - 1.3.1. no more favourable than cash consideration paid by third parties (in the case of issues of securities to third parties for cash consideration); or
 - 1.3.2. equivalent in value to non-cash consideration offered by third parties (in the case of issues of securities to third parties for non-cash consideration).
 - 1.4. The number of securities that may be issued to Nissui under the Top Up Right in the case of any diluting event must not be greater than the number required in order for Nissui to maintain its percentage holding in the issued share capital of the Company immediately before that diluting event up to a maximum of 14.99%.
 - 1.5. The Company discloses a summary of the Top Up Right to persons who may subscribe for securities under a prospectus, and undertakes to include in each annual report a summary of the Top Up Right.
 - 1.6. The Company immediately releases the terms of the waiver to the market.
2. ASX has considered listing rule 6.18 only and makes no statement as to the Company's compliance with other listing rules.