



15 August 2019

ANNOUNCEMENT 621

Seafarms progresses upgrade and construction of Project Sea Dragon facilities

Highlights

- Capital works program at the Project Sea Dragon facilities have progressed
- All site works at the Founder Stock Centre (Exmouth, WA) have been completed by local people
- Second generation of Specific Pathogen Free animals produced
- Construction of Broodstock Maturation Facility (Bynoe Harbour, NT) has commenced with over 99 per cent of site works completed by local people.

Sustainable aquaculture company Seafarms Group Limited ('Seafarms' or 'the Company') is pleased to provide the market with an update regarding the progress of the capital works program at its Project Sea Dragon facilities across northern Australia.

The works required to upgrade Project Sea Dragon's Founder Stock Centre at Exmouth in Western Australia are well advanced, with the first of three infrastructure facilities nearing completion.

Local Exmouth contractors have undertaken all of the site works to date employing 15 people. The works remain on time and within budget. Concurrently, early works to build Project Sea Dragon's Core Breeding Centre and Broodstock Maturation Facility at Bynoe Harbour near Darwin in the Northern Territory have also commenced.

Importance of the Founder Stock Centre

As previously announced, the Founder Stock Centre is a critical part of the biosecurity strategy of the world-class Project Sea Dragon (ASX Announcement: 10 August 2019).

A successful breeding program, is founded upon the establishment of a domesticated population of animals free of specific pathogens (SPF). This means that individual animals are tested to determine whether any of their tissues test positive for a known set of viruses, bacteria, fungi and other agents known to cause diseases in prawns. Should any tissue tests be positive, the animal and its progeny (if any) are eliminated from the population.

All pathogen screening is being conducted independently from Seafarms, with the list of pathogens to be excluded and the design of the screening program development based upon the advice of independent experts. Seafarms' exhaustive testing program confirms that pathogens are common in wild Australian prawns. The work undertaken supports the Company's SPF strategy and investment in securing the biological resources for Project Sea Dragon.

Given the long lead time to test for and establish this population of animals (three generations), the acquisition of animals from the wild for the founder population has already commenced with the first wild stock intake of animals occurring in September 2016. To date, the Company has produced 19 second generation SPF families. The third generation of animals is expected to be produced upon commissioning of the expanded facilities, towards the end of 2019.

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EXMOUTH FOUNDER STOCK CENTRE BUILDING FOUNDATIONS



EXMOUTH FOUNDER STOCK CENTRE SITE OVERVIEW

Construction of Broodstock and Core Breeding Centre facilities underway

Seafarms' breeding program also requires the establishment of a Broodstock Maturation Centre, a Core Breeding Centre and commercial hatcheries. Once demonstrated to have been SPF, the prawns will be moved from the Founder Stock Centre in Exmouth to the commercial breeding facilities at Bynoe Harbour near Darwin.

Local Darwin contractors have undertaken more than 99 percent of site works to date employing 25 people including 4 indigenous people. The works remain on time and on budget.

These breeding facilities will incorporate world-leading research by using genetic and phenotypic data to instigate highly efficient multi-trait selective breeding programs. The goal is to be able to identify the genetic performance of a prawn

using a DNA test. This research forms part of Seafarms' co-investment involvement in the estimated \$9 million ARC Research Hub for Advanced Prawn Breeding (ARC) program initiated in 2014. Other ARC partners include the University of Sydney, CSIRO and the Australian Genome Research Facility.

The ARC program brings together world-leading animal geneticists, research and service providers and Seafarms to gather the genomic resources, commercial phenotypic data, and apply cutting-edge genetic and genomic selection methodologies. The program is one of the most advanced of its kind in the world.

Access to and land tenure for the Bynoe Harbour breeding facilities forms part of the Project Agreement with the Northern Territory Government (NTG). The NTG has already commenced and/or completed the development of important public infrastructure that will assist the logistics for these facilities, in particular, Gunn Point Road.



SETTLEMENT PONDS



BROODSTOCK MATURATION SITE

Please also refer to the Company's web site www.seafarms.com.au for additional information and advise videos of site progress will be uploaded within the next week.

Seafarms Managing Director of Project Sea Dragon Dr Chris Mitchell said: "We are very pleased with the progress being made at the PSD facilities. The Founder Stock Centre is rapidly approaching completion and continues to track on budget and within schedule. At the same time, earthworks including access roads, inlet and outlet ponds have been built at the Broodstock Maturation Centre and work there is advancing at a steady pace. We are now one step closer to launching PSD, an exciting project that will see us exporting large volumes of high-quality prawns year-round."

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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

About 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/