

# Throwing yet more prawns on the barbie

## The Land

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## THE PUNTER

THE Punter invested in potentially Australia's largest prawn farming enterprise nine months ago and has lost a third of his money. The stock market over the same period is up around 8 per cent, so his timing at least was terrible.

The company, Sea Farms Group (ASX code SFG), has been working for years on ambitious plans to farm prawns on a Northern Territory cattle station, which is innovative, to put it mildly. Its Project Sea Dragon, more than 200 kilometres from the

nearest deepwater port, has moved from the planning stage to the point where building has started and it is looking for \$105 million to pay the shovellers.

To raise this money, shares have been offered at 5.5c each, with the bonus of three-for-five free options. Since the announcement, the shares have rarely been above the offer price.

In such circumstances the Punter normally doesn't bother subscribing, but at the last minute he dived in with \$2500 for 45,45,455 shares and 27,273 options.

Although they will not be listed on the stock market, the options are a real sweetener. They can be converted to ordinary shares at \$0.0975 each.

The options expire in August 2024, which, if all goes to plan, will be some nine months after Sea Dragon's first harvest.

What makes this ambitious \$1.8 billion project credible is that the Sea Farms Group already has prawn farms in Queensland, with sales of some \$30m a year.

Admittedly it lost \$13m in the six months to December,

but at least it knows the business. Some of the loss can be blamed on COVID, some on Sea Dragon development costs.

Meanwhile, the Punter's cash has been boosted by \$396.71 in a final interest payment on his Clean Seas Seafood (CSS) convertible loan stock, which he has since converted into CSS shares.

■ The Punter has no financial qualifications and no links to the financial services industry. He owns shares in a number of companies featured in this column.



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