



Our Ref: SFG ASX Announce 2015 AGM Notice (456)

24 December 2015

ANNOUNCEMENT 456

Company Announcements Office
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

By ASX Online
Number of pages: 15
(including this page)

Dear Sir

Seafarms Group Notice of Annual General Meeting and Proxy

Enclosed are the following Seafarms Group Limited documents which will be sent to shareholders today:

- Notice of Annual General Meeting with supporting Explanatory Memorandum; and
- Pro forma Proxy Form.

The Annual Report for the period ended 30 September 2015, which will be sent to those shareholders who have requested a copy, was released to the market on 30 November 2015. The Report is available on our web site www.seafarms.com.au/investor

The Company's Annual General Meeting will be held in Melbourne, on Monday 1 February 2016 at 11.00 am AEDST.

Please telephone Harley Whitcombe on (08) 9321 4111 with any queries.

Yours faithfully

Seafarms Group Limited

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

Harley Whitcombe
Company Secretary

ENC

Seafarms Group Limited
ABN 50 009 317 846

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SEAFARMS GROUP LIMITED

ABN 50 009 317 846

Notice of 2015 Annual General Meeting **11.00 am (AEDST), Monday, 1 February 2016**

At Corrs Chambers Westgarth
Level 25,
567 Collins Street
Melbourne VIC 3000

Seafarms Group Limited

NOTICE OF MEETING 2015

The 2015 Annual General Meeting of Seafarms Group Limited (**SFG** or the **Company**) will be held at Corrs Chambers Westgarth Level 25, 567 Collins Street, Melbourne VIC 3000 at 11.00am (AEDST), Monday, 1 February 2016.

Dear Shareholder

I am pleased to invite you to attend the 2015 Annual General Meeting of Seafarms Group Limited to be held at Corrs Chambers Westgarth Level 25, 567 Collins Street, Melbourne VIC 3000 on 1 February 2016 at 11.00am (AEDST).

The Annual General Meeting is an ideal opportunity for you to meet your Board and senior management team and I encourage you to attend the meeting.

The Company's principal continuing activity during the year consisted of aquaculture project development, aquaculture operations, carbon project management (Australia, New Zealand and Vietnam), the provision of environmental services (advisory in ecosystem offsets and carbon farming projects), and trading environmental credits.

The Board of Seafarms Group has continued to develop Project Sea Dragon (**PSD**) and have now commenced a bankable feasibility study. The Project has continued to show robust economics and the ability to occupy a position in the lowest quartile of lowest cost producers internationally. The Cardwell operations have been fundamental in building the key operating skills necessary for the staged development of PSD. The Crystal Bay brands have continued to achieve strong retail and food services acceptance with the expansion of our stock keeping units offer and ranging our products from the delicatessen to refrigerator and to the freezer.

An electronic copy of the Company's 2015 Annual Report is available to download or view on the Company's website at <http://www.seafarmsgroup.com.au>. The Company's 2015 Annual Report has also been sent to those Shareholders who previously elected to receive a hard copy.

The following pages contain details on the items of business to be conducted at the 2015 Annual General Meeting. Your Directors believe that each of the resolutions is in the best interests of the Company and its Shareholders.

Voting on the resolutions at the 2015 Annual General Meeting is important and if you are not able to attend I encourage you to nominate a proxy by returning the enclosed Proxy Form.

If you nominate a proxy, please carefully consider the proxy comments in this Notice. Please ensure you forward the manual Proxy Form to the Company's Share Registry, Computershare Investor Services Pty Limited, so that it is received by 11.00am (AEDST) on 30 January 2016.

Your Board and management team look forward to seeing you at the 2015 Annual General Meeting.

Yours faithfully



Ian Trahar
Executive Chairman
24 December 2015

Seafarms Group Limited

NOTICE OF MEETING 2015

Items of Business		Shareholder Approval	Voting Restrictions and Further Details
ORDINARY BUSINESS			
1. DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS	To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 September 2015.	Not applicable	Page 5
2. REMUNERATION REPORT	To adopt the Remuneration Report for the year ended 30 September 2015.	Non-binding	Page 5
3. ELECTION OF DIRECTOR – PAUL FAVRETTO	That Mr Paul Favretto be re-elected as a Director.	Ordinary resolution	Page 5
SPECIAL BUSINESS			
4. CHANGE OF YEAR END	For the purposes of section 323D(2A) of the <i>Corporations Act 2001</i> (Cth) and for all other purposes, the change of the Company's financial year end from 30 September to 30 June such that the current financial year commencing on 1 October 2015 will end on 30 June 2016 (Change of Year End), be approved and the Directors of the Company be authorised to do all things necessary to implement the Change of Year End.	Non-binding	Page 5
5. RATIFICATION AND APPROVAL OF PREVIOUS ALLOTMENT AND ISSUE OF ORDINARY SHARES UNDER A PLACEMENT	That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 85,714,286 ordinary shares at A\$0.07 per share to sophisticated and professional investors on 14 July 2015 be ratified and approved.	Ordinary resolution	Page 6
6. ADDITIONAL CAPACITY TO ISSUE SECURITIES	That for the purposes of ASX Listing Rule 7.1A and for all other purposes the Company be granted an additional equity raising capacity equivalent to 10% of the Company's ordinary securities as described in the Explanatory Notes.	Special resolution	Page 6
7. EMPLOYEE INCENTIVE PLAN	That, the Seafarms Group Employee Incentive Plan (as amended) (Incentive Plan) and the grant of incentives and the allotment and issue of ordinary shares upon the exercise or vesting of the incentives under the terms of the Incentive Plan as described in the Explanatory Notes, be approved for the purposes of ASX Listing Rule 7.2 Exception 9(b) and for all other purposes.	Ordinary resolution	Page 8
8. APPROVAL OF MAXIMUM GRANT OF PERFORMANCE RIGHTS UNDER THE INCENTIVE PLAN TO EXECUTIVE DIRECTORS OVER NEXT 3 YEARS	That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant under the Incentive Plan to executive directors of an aggregate maximum of 13,500,000 Performance Rights over the period of three years from the date of this meeting, as described in the Explanatory Notes, be approved.	Ordinary resolution	Page 11

Seafarms Group Limited

NOTICE OF MEETING 2015

VOTING

Notice Record Date

The Company's shareholders (**Shareholders**) recorded on the Company's register of members at 4pm (AWST) on Tuesday, 29 December 2015 (**Notice Record Date**) will be entitled to receive this notice of meeting (**Notice**).

Voting Entitlement

Shareholders recorded on the Company's register of members at 4pm (AWST) on Saturday 30 January 2016 (**Voting Entitlement Date**) will be entitled to vote on Items at the Company's 2015 annual general meeting (**Meeting**).

Becoming a Shareholder

Persons who become registered Shareholders between the Notice Record Date and the Voting Entitlement Date, and wish to vote at the Meeting by proxy should call 1300 798 306 (within Australia) or +61 3 9415 4830 (outside Australia) and request an additional personalised voting form.

Persons who become beneficial Shareholders between the Notice Record Date and the Voting Entitlement Date, and wish to vote at the Meeting by proxy should contact their broker or intermediary for instructions on how to do so.

Voting Procedure

Under the Company's constitution (**Constitution**), a poll will be conducted as directed by the chair of the Meeting (the **Chair**).

Shareholders can vote in one of two ways:

- by attending the Meeting and voting; or
- by appointing a proxy to attend and vote on their behalf.

Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the Meeting, if possible, so that the Company may check their Shareholding against the Company's share register and note attendances.

Voting Restrictions

The voting prohibitions under the *Corporations Act 2001* (Cth) (**Corporations Act**) and voting exclusions under the ASX Listing Rules for each Item are set out in the Explanatory Notes to this Notice.

PROXY FORMS

Proxy Form

Enclosed with this Notice is a personalised proxy form (**Proxy Form**). The Proxy Form allows Shareholders who are not attending the Meeting to appoint a proxy to vote on their behalf.

If you hold fully paid ordinary shares in the capital of the Company (**Shares**) in more than one capacity, please complete the Proxy Form that is relevant to each holding.

Appointing proxies

Shareholders, who are entitled to attend and vote at the Meeting, may appoint a proxy to act generally at the Meeting and to vote on their behalf. A proxy need not be a Shareholder of the Company.

A Shareholder entitled to attend and vote can appoint up to two proxies, and should specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. If you wish to appoint two proxies please call 1300 798 306 (within Australia) or +61 3 9415 4830 (outside Australia) and request an additional Proxy Form.

A corporate Shareholder or proxy must appoint a person as its corporate representative.

Undirected proxies

Any proxy given to:

- a member of the Company's key management personnel (the Company's directors (**Directors**) and other executives) (**Key Management Personnel**), other than the Chair; or
- their closely related parties (including a spouse, dependent or other close family members, as well as any companies they control) (**Closely Related Parties**),

for Item 2 will not be counted unless Shareholders specify how the proxy is to vote.

Any undirected proxy given to the Chair for Item 2, by a Shareholder entitled to vote on Item 2, will be voted by the Chair in favour of Item 2, in accordance with the express authorisation on the Proxy Form. The Chair intends to vote all valid undirected proxies for all other Items in favour of those Items.

Power of attorney and corporate representatives

If the Proxy Form is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form.

A body corporate member may elect to appoint a representative, rather than appoint a proxy. Where a body corporate appoints a representative, written proof of the representative's appointment must be lodged with, or presented to the Company before the Meeting.

A body corporate appointed as a proxy must also lodge a certificate of appointment of a corporate representative.

LODGING PROXY FORMS

Deadline

Proxy Forms must be received by 11.00am (AEDST) on Saturday, 30 January 2016.

How to lodge Proxy Forms

You can lodge your Proxy Form with the Company by:

Mail: to GPO Box 242, Melbourne Victoria 3001.

Delivery: to Level 11, 172 St Georges Terrace, Perth, Western Australia 6000.

Facsimile: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Further details on how to lodge your Proxy Form can be found on the reverse side of the Proxy Form.

ENQUIRIES

If you have any questions about this Notice or your Proxy Form please contact the Company's share registry, Computershare Investor Services Pty Ltd, at 1300 798 306 (within Australia) or +61 3 9415 4830 (outside Australia).

By order of the Board of Directors



Mr Harley Whitcombe

Company Secretary

24 December 2015

Seafarms Group Limited

EXPLANATORY NOTES 2015

ITEM 1 DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, Shareholders will have a reasonable opportunity to ask questions or make comments on the Company's Financial Report, Directors' Report and Auditor's Report for the year ended 30 September 2015.

The Company's auditor, Deloitte Touche Tohmatsu, will be present at the Meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies and the independence of the auditor.

The auditor will also respond to any written questions provided these are submitted to the Company no later than five business days prior to the Meeting.

There is no requirement for Shareholders to approve the Company's Financial Report, Directors' Report and Auditor's Report.

A copy of the Company's 2015 Annual Report, which includes the Company's Financial Report, Directors' Report and Auditor's Report is available on the Company's website: <http://www.seafarmsgroup.com.au>.

ITEM 2 REMUNERATION REPORT

Background

The Remuneration Report for the financial year ended 30 September 2015 is set out in the Company's Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for Directors and executive staff.

The Chair will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting. Shareholders will then be asked to vote on the Remuneration Report.

The vote is advisory only and does not bind the Company or its Directors. The Company's board (**Board**) will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

No spill resolution

If at least 25% of votes that are cast are voted against the adoption of the Company's Remuneration Report at two consecutive annual general meetings, Shareholders must vote on whether the Board should go up for re-election.

At the Company's 2014 annual general meeting, less than 25% of the votes cast on the resolution to adopt the 2014 Remuneration Report were voted against the resolution. Accordingly no spill resolution will be held at this Meeting.

Board recommendation

The Board unanimously recommends that Shareholders vote **in favour** of the adoption of the Remuneration Report.

The Chair intends to vote undirected proxies in favour of Item 2.

Voting prohibition statement

A vote on Item 2 must not be cast (in any capacity) by or on behalf of a member of Key Management Personnel (details of whose remuneration are included in the Remuneration Report) or any of their Closely Related Parties.

Unless the vote is cast as proxy for a person who is entitled to vote, where:

- the Proxy Form specifies how the proxy is to vote on Item 2; or
- the proxy is the Chair, who may vote in favour of Item 2 in accordance with an express authorisation on the Proxy Form.

ITEM 3 ELECTION OF DIRECTOR

Paul Favretto was appointed to the Board on 18 December 2007.

Mr Favretto was most recently re-elected at the Company's 2012 annual general meeting, on 14 February 2013.

In accordance with ASX Listing Rule 14.4 and the Company's Constitution, Mr Favretto will retire and being eligible, nominate for re-election. His relevant skills and experience are summarised below.

Mr Paul John Favretto LL.B.

Term	Appointed 18 December 2007
Independent	Yes, non-executive Director
Skills and experience	Mr Favretto was previously Managing Director of Avatar Industries Limited. Before that Mr Favretto worked for 20 years in the financial services industry holding senior management positions with Citibank Limited (1976 to 1985) and Bankers Trust Australia Limited (1986 to 1994).
Other directorships	None.
Committees	Chairman of the Audit Committee and Chairman of the Remuneration Committee
Interests in the Company	36,666,666 Shares

Board recommendation

The Board (other than Paul Favretto who has an interest in the resolution) believe that the re-election of Mr Favretto is in the best interests of the Company and unanimously recommend that Shareholders vote **in favour** of the re-election of Paul Favretto.

The Chair intends to vote undirected proxies in favour of Item 3.

ITEM 4 CHANGE OF YEAR END

Background

Section 323D(2) of the Corporations Act requires the Company's financial years to:

- start at the end of the previous financial year; and
- be 12 months long.

Section 323D(2A) of the Corporations Act states that a subsequent financial year may last for a period of less than 12 months determined by the Board if:

- the subsequent financial year starts at the end of the previous financial year; and
- there has not been a period during the previous five financial years in which there was a financial year of less than 12 months in reliance on the section (the Company satisfies this requirement); and
- the change to the subsequent financial year is made in good faith in the best interests of the Company.

Currently, the Company's financial year commences on 1 October and ends on 30 September the next year. The Board wishes to change the financial year end to 30 June each year.

Seafarms Group Limited

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The proposed Change of Year End would mean that the current financial year, which commenced on 1 October 2015, would be 9 months long and end on 30 June 2016.

The operations of the Company have substantially changed since the adoption of a 30 September year end date. In addition to the Company's businesses of carbon project management, the provision of environmental services (advisory in ecosystem offsets and carbon farming projects) and trading environmental credits, the Company's business now involves aquaculture project development and aquaculture operations. It is now one of Australia's largest aquaculture enterprises and is also developing Project Sea Dragon - a large-scale, integrated, land-based prawn aquaculture project in Northern Australia.

The Company believes that the change in financial year end to 30 June will more accurately align financial reporting with the nature of its business. There is significant prawn stock in the ponds at 30 September and it is difficult to account for the value of this stock at this time. The change of financial year is expected to improve the transparency of the Company's operating profile and provide more consistent information for Shareholders to assess the Company's performance from year to year. It will also mean that the Company will have a more typical year end for reporting purposes. After the proposed Change of Year End is implemented, annual reports would be prepared for a 12 month period from 1 July to 30 June each subsequent year. The Change of Year End will not affect the Company's operations.

The Company has a standing approval from the Australian Taxation Office for a substituted accounting period ending on 30 September each year. Subject to the passing of the above resolution, the Board proposes to apply to the Australian Taxation Office (ATO) for approval to return to an accounting period ending on 30 June each year. There is no guarantee that the ATO will approve the request and therefore no guarantee that the Change of Year End will take effect for income taxation purposes.

The Company is also required to notify the Australian Securities and Investments Commission (ASIC) of the decision to change the Company's financial year pursuant to section 323D(2A).

Evidence of the passage of this resolution may be provided to the ATO as part of the application for approval, but is not a prerequisite for the granting of approval by the ATO.

The above resolution is advisory and does not bind the Company or the Company's directors.

Board recommendation

The Board believes in good faith that the Change of Year End is in the best interests of the Company and recommends that Shareholders vote in favour of the Change of Year End.

The Chair intends to vote undirected proxies in favour Item 4.

ITEM 5 RATIFICATION AND APPROVAL OF PREVIOUS ALLOTMENT AND ISSUE OF ORDINARY SHARES UNDER A PLACEMENT

Background

The Company issued 85,714,286 Shares to sophisticated and professional investors on 14 July 2015 under its 15% placement capacity and now seeks to ratify the allotment issue of those Shares.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by ASX Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further Shares up to 15% of the issued capital of the Company without requiring shareholder approval.

The Company confirms that the allotment and issue of the Shares the subject of this item did not breach ASX Listing Rule 7.1.

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- 85,714,286 Shares were allotted and issued by the Company.
- The issue price per Share was \$0.07.
- The Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue.
- The Shares were allotted as a private placement to sophisticated and professional investors who are not related parties of the Company.
- The funds raised have been or will be (along with funds raised under the pro-rata non renounceable entitlement offer and shortfall offer announced at the same time as the placement) used to complete a bankable feasibility study on the Company's Project Sea Dragon, to repay \$3.5 million of the existing \$8.5 million credit facility between the Company and an entity controlled by Ian Trahar and for general working capital.

Board Recommendation

The Board believe that the ratification and approval of the previous placement is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Item 5.

Voting exclusion statement

The Company will disregard any votes cast on Item 5 by any person and the associates of any person who participated in the placement.

However, the Company need not disregard a vote if the vote is cast as proxy for a person who is entitled to vote:

- in accordance with the directions on the Proxy Form; or
- the Chair of the meeting in accordance with a direction on the Proxy Form to vote as the proxy decides.

ITEM 6 ADDITIONAL CAPACITY TO ISSUE SECURITIES

Background

The Company seeks Shareholder approval to increase the Company's capacity to issue equity securities by a number equal to 10% of the Company's ordinary securities as at the date 12 months prior to this Meeting (**Additional 10% Capacity**).

The Additional 10% Capacity is in addition to the Company's capacity to issue equity securities equivalent to 15% of the Company's ordinary securities, under ASX Listing Rule 7.1.

The Additional 10% Capacity will provide the Company with the maximum flexibility to raise funds by issuing equity securities without the need for further Shareholder approval.

If approved the Additional 10% Capacity will expire on the earlier of:

- 12 months following the date of this Meeting; or
- the date Shareholders approve a significant change to the nature or scale of the Company's activities or a disposal of the Company's main undertaking under ASX Listing Rule 11.1 or 11.2.

If the Additional 10% Capacity is not approved, the Company may be required to obtain Shareholder approval at the time of an issue, which may limit the Company's ability to take advantage of opportunities to raise equity capital.

Purpose of approval

Under ASX Listing Rule 7.1A the Company must obtain Shareholder approval at this Meeting to issue equity securities equivalent to 10% of the

Seafarms Group Limited

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Company's ordinary securities in the 12 months following the approval in addition to the Company's capacity to issue equity securities equivalent to 15% of the Company's ordinary securities.

The Additional 10% Capacity must be approved by a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The number of equity securities issued under the Additional 10% Capacity will be determined in accordance with the formula set out in ASX Listing Rule 7.1A.2.

Details the Additional 10% Capacity

Minimum issue price The issue price will be at least 75% of the VWAP for the securities in the same class, calculated over the 15 days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within five trading days of the date in the paragraph above, the date on which the securities are issued.

Date of issue The Additional 10% Capacity will expire on the earlier of:

- 31 January 2017; or
- the date Shareholders approve a significant change to the nature or scale of the Company's activities or a disposal of the Company's main undertaking under ASX Listing Rule 11.1 or 11.2.

Use of funds Shares may be issued for:

- cash consideration, to fund the growth of the Company's aquaculture business, to acquire new assets or investments, or for general working capital; and
- non cash consideration, for the acquisition of new assets or resources.

The Company will comply with its disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A in relation to any issue of securities under the Additional 10% Capacity.

Allocation policy The identity of allottees will be determined on a case-by-case basis having regard to factors which may include:

- the methods of raising funds which are available to the Company;
- the effect of an issue on the control of the Company; and
- advice from corporate, financial and broking advisers.

As at the date of this Notice, the allottees have not been determined. They may, however, include substantial Shareholders and/or new Shareholders.

Risk of dilution

There is a risk of economic and voting dilution to the Shareholders, including that:

- the market price for the Shares may be significantly lower on the date of the issue than it is on the date of the Meeting; and
- the Shares may be issued at a price that is at a discount to the market price for the Shares, which may have an effect on the amount of funds raised by the issue of the Shares.

The table below sets out:

- the economic and voting dilution based on 100%, 150% and 200% of the Company's current issued share capital; and

- the capital raised by an issue of securities at the current market rate, at a 50% reduction and at a 100% increase to the current market rate.

Shares on issue	Shares issued	Capital raised		
	10% voting dilution	At 50% decrease in market price	At current market price	At 100% increase in market price
	(Shares)	\$0.030	\$0.060	\$0.12
Current				
886,107,449	88,610,745	\$2,658,322	\$5,316,645	\$10,633,289
50% increase				
1,329,161,174	132,916,117	\$3,987,484	\$7,974,967	\$15,949,934
100% increase				
1,772,214,898	177,221,490	\$5,316,645	\$10,633,289	\$21,266,579

Assumptions and explanations

- The market price is \$0.06, based on the closing price for the Shares on 17 December 2015.
- The issue prices included in the table do not take into account discount to the market price (if any).
- These calculations assume that each Shareholder maintains its current Shareholding in the Company and does not participate in the issue which utilises the 10% Capacity.
- No further equity is issued either under the Company's current capacity to issue 15% of its equity securities or on conversion of convertible securities.
- The company utilises the full Additional 10% Capacity by issuing Shares.
- The table represents dilution as a whole and is not example of dilution that may be caused to a particular Shareholder.

Previous approval

At the Company's 2014 annual general meeting, Shareholders approved the Company's capacity to issue equity securities equivalent to additional 10% of the Company's ordinary securities.

The approval given at the 2014 annual general meeting will expire on 26 February 2016.

As at the date of this Notice, the Company has not issued any securities under this additional capacity.

Security issues in the last 12 months

The Company has issued 231,989,952 equity securities in the 12 month period preceding the date of this Notice details of which are set out below:

Date of Issue	14 July 2015	14 August 2015
Brief Details	Placement announced 7 July 2015	Issue of Shares under a pro-rata non-renounceable entitlement offer and shortfall to the offer dated 7 July 2015
Summary of Terms	85,714,286 Shares, issued on the same terms and ranking equally in all respects with existing fully paid ordinary shares on issue in the Company	146,275,666 Shares, issued on the same terms and ranking equally in all respects with existing fully paid ordinary shares on issue in the Company
Investor / Recipient	Sophisticated and professional investors	Existing Shareholders
Price	\$0.07 per Share	\$0.065 per Share

Seafarms Group Limited

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Date of Issue	14 July 2015	14 August 2015
Discount to market price on date of issue	4%	3%
Amount received	\$6,000,000	\$9,507,918
Current value of non-cash consideration	N/A	N/A

On 24 December 2015, the equity securities of the Company constituted, or were convertible into 886,107,449 Shares.

On this measure, the equity securities issued in the preceding 12 months amount to approximately 26% of the equity securities on issue at 24 December 2015.

Use of funds received

As at 31 March 2015, the Company had cash of approximately \$2,685,888. The Company raised \$15,507,918 by issuing Shares under a placement and pro-rata non-renounceable entitlement offer.

Funds expended to 30 September 2015 were used to repay \$3.5 million of debt, fund the Company's Project Sea Dragon bankable feasibility study and fund working capital.

The Company's remaining funds as at 30 September 2015, of approximately \$12,031,225 are expected to be used to continue to fund the bankable feasibility study for Project Sea Dragon and working capital.

Board Recommendation

The Board unanimously recommends Shareholders vote **in favour** of granting the Company the Additional 10% Capacity.

The Chair intends to vote undirected proxies in favour of Item 6.

Voting exclusion statement

The Company will disregard any votes cast on Item 6 by or on behalf of any person who may participate in the proposed issue and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if Item 6 is passed, and any associate of those persons.

However, the Company need not disregard a vote if the vote is cast as proxy for a person who is entitled to vote:

- in accordance with the directions on the Proxy Form; or
- the Chair of the meeting in accordance with a direction on the Proxy Form to vote as the proxy decides.

As at the date of this Notice, the Company has not identified any particular person or class of person who would be excluded from voting on Item 6.

ITEM 7 EMPLOYEE INCENTIVE PLAN

Background

The Company's employee incentive plan (**Incentive Plan**) was approved by Shareholders at its 2010 Annual General Meeting held on 24 February 2011. On 31 August 2011, Shareholders approved amendments to the Incentive Plan. Some further amendments have been proposed to the Incentive Plan to align the Incentive Plan to the new employee share scheme income tax rules which took effect from 1 July 2015. A summary of the proposed terms of the Incentive Plan is set out below.

The Board is seeking Shareholder approval for the Incentive Plan in accordance with the ASX Corporate Governance Council's Best Practice Recommendations. Shareholder approval is also being sought under ASX Listing Rule 7.2, Exception 9(b).

If the Incentive Plan is approved, any grants to executive Directors under the Incentive Plan will still require further prior Shareholder approval.

Purpose of the Incentive Plan

The primary purpose of the Incentive Plan is to retain, attract and motivate key personnel. The Board believes that the success of the Company depends in a large measure on the skills and motivation of the people engaged in the management of the Company's business, it is therefore important that the Company is able to retain and attract people of the highest calibre for the Company's operations and in particular the planning, financing, construction and start-up of Project Sea Dragon.

The Incentive Plan forms an important part of a comprehensive remuneration strategy for the Company's employees, aligning their interests with those of Shareholders by linking their rewards to the long term success of the Company and its financial performance.

The Incentive Plan is structured so that the Board may award Performance Rights as well as Incentive Options to eligible employees (together **Incentives**). In contrast to an Incentive Option, a Performance Right does not have an exercise price and therefore allows an employee, subject to satisfaction of the relevant vesting conditions and performance hurdles (as applicable), to benefit by their Performance Rights vesting into Shares without the payment of any cash consideration.

The adoption of employee incentive plans which allow for the grant of performance rights (such as the proposed Incentive Plan) is a current trend among ASX listed companies.

Non-executive directors, contractors and casual employees are not eligible to participate in the Incentive Plan. In addition, Ian Trahar, who is an employee of Seafarms Group, will not participate in the Incentive Plan.

Key Features of the Incentive Plan

Eligible employees: Under the terms of the Incentive Plan, the Board may determine which full and part time employees of the Seafarms Group and its associated bodies corporate may participate in the Incentive Plan.

The Incentive Plan is targeted at Seafarms Group's senior management and employees, including executive Directors (as determined by the Board from time to time). There are currently approximately 20 employees who will be eligible to participate in the Incentive Plan. Ian Trahar, who is an employee of Seafarms Group, will not participate in the Incentive Plan.

Non-executive directors, contractors and casual employees are not eligible to be granted Incentives.

Incentives: The Incentive Plan allows the Board to grant Performance Rights and Incentive Options to eligible participants.

Exercise Price: The Board's current policy is to grant only Performance Rights under the Incentive Plan, which will not require the employee to pay any amount to the Company upon vesting.

However the Board may choose to grant Incentive Options under the Incentive Plan at any time, without further Shareholder approval. If it chooses to do so, the exercise price of any Incentive Options granted under the Incentive Plan is at the absolute discretion of the Board and the Board will determine the exercise price from time to time. Typically, any Incentive Options granted would have an exercise price calculated by reference to a volume weighted average price of the Shares for a period prior to the date of grant.

Seafarms Group Limited

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Number of Incentives to be granted:

The number of Incentives granted under the Incentive Plan will be decided by the Board from time to time.

However, Seafarms Group will generally be seeking to take advantage of the form of disclosure relief provided by ASIC Class Order 14/1000 in respect of employee incentive schemes for listed bodies. In order to be able to take advantage of that form of relief certain conditions need to be fulfilled including that the maximum number of securities which may be granted to employees under incentive plans (including the Incentive Plan and the previous ESOP) in a rolling 3 year period is 5% of the issued share capital of the Company (calculated at the date of the offer under the Incentive Plan).

The Board notes that Performance Rights involve less risk to an employee than Incentive Options, as they do not require the employee to pay any amounts to the Company upon exercise. As a result, where the Board decides to grant Performance Rights, an employee will typically receive fewer Performance Rights when compared with the number of Incentive Options they would have otherwise received under the Incentive Plan or any other employee incentive plan.

Vesting Conditions:

The vesting terms for grants of Incentives under the Incentive Plan will be decided by the Board from time to time.

Where appropriate, and where employees (ie, senior management) can exercise significant influence over the business, the Board will establish policies on vesting of Incentives using performance hurdles which may be linked to performance over the long term to encourage employees to focus on performance over the long term.

The Board considers that a vesting condition requiring the employee to satisfy a minimum term of employment of 2 years after the date of grant is appropriate, given the current stage of the Company's development.

Vesting on change of control:

Incentives that remain subject to a vesting condition immediately vest and are received or become exercisable by the participant in the event that a takeover bid is made for Seafarms Group, or another corporate transaction is pursued (such as a scheme of arrangement, selective capital return etc) which results in the bidder acquiring voting power to more than 50% of Seafarms Group.

The Board also has a general discretion to allow Incentives to immediately vest if the Board determines, acting in good faith and consistent with its fiduciary duties, that a person has obtained voting power which is sufficient to control the composition of the Board.

Incentives will lapse on their expiry date.

Vesting in other circumstances:

The Board may permit a participant to exercise Incentives or have such Incentives vested, in other limited situations, such as where a resolution is passed approving the disposal of Seafarms Group's main undertaking or on a winding up of Seafarms Group.

Expiry Date:

The Board may set out in an invitation to participate in the Incentive Plan the date and times when any Incentives lapse. The expiry date will be no later than 15 years after the date of grant.

Impact of cessation of employment:

Treatment of Incentives on Cessation of Employment

Cause	Incentives which have not vested	Incentives which have vested
Termination for ill health or death	Immediately lapse unless Board determines otherwise	May be exercised (in the case of ill health) by the participant, or (in the case of death) by the participant's personal representative, until the Incentive lapses
Termination for cause (e.g. fraud, dishonesty, material breach of obligations)	Immediately lapse unless Board determines otherwise	Immediately lapse unless Board determines otherwise
Termination by consent (e.g. resignation)	Immediately lapse unless Board determines otherwise	Are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by the Board
Redundancy, constructive dismissal, other termination by Company not dealt with above	Incentives automatically vest and are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by Board	Are able to be exercised during the period 30 days after cessation of employment or a longer period allowed by the Board

Exercise into acquirer shares:

Subject to the ASX Listing Rules, the Incentive Plan provides flexibility for Seafarms Group to agree with any successful acquirer of Seafarms Group to an arrangement whereby Incentives will become exercisable or vest into shares of the successful acquirer or its parent in lieu of Shares. Any such exercise or vesting will be on substantially the same terms and subject to substantially the same conditions as the holder may exercise or vest

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Incentives to acquire Shares, but with appropriate adjustments to the number and kind of shares subject to the Incentives, as well as to any exercise price.

Entitlement for Incentives:

Subject to the terms of the Incentive Plan, vesting and the satisfaction of any performance conditions, each Incentive entitles the holder to receive one fully paid ordinary share in Seafarms Group.

Trust structure:

Once an Incentive is capable of being exercised the Board will instruct the Trustee to subscribe for, acquire and / or allocate the Shares the participant is entitled to under the Incentive, and the Trustee will hold those Shares on behalf of the participant in accordance with the Trust Deed.

The Board will provide the required funds to the Trustee. The Board in its absolute discretion may instruct the Trustee to either subscribe for new Shares or acquire Shares on market, or a combination of both. The legal title in the participant's Shares will be held in the name of the Trustee, with the participant holding a beneficial interest in those Shares.

Restriction of disposal of Shares:

The Board in its absolute discretion may determine that a restriction period of a maximum of 15 years from the grant of the incentive will apply to some or all of the Shares the holder is entitled to under the Incentive. The holder is not entitled to dispose or deal with the Shares whilst they are restricted.

The Board may approve the withdrawal of the Shares from the Trust if the participant submits a withdrawal notice in respect of unrestricted Shares, the holder ceases to be an employee of Seafarms Group, or 15 years has elapsed from the grant of the incentive.

Transferability:

Incentives are only transferable upon a takeover bid where the Incentives are transferred to the bidder, upon a scheme of arrangement where the Incentives are transferred to the acquirer, by force of law upon death of the Incentive holder or upon bankruptcy of the Incentive holder, or otherwise with the consent of the Board.

Right to participate in dividends:

Incentives will not entitle the holder to any dividends (or Shares or rights in lieu of dividends) declared or issued by the Company.

Any dividends payable on the Shares held by the Trustee will be paid by the Company to the Trustee. The Trustee will then distribute the dividends to the participant.

Adjustment for rights issues:

The exercise price of Incentives (if applicable) will be adjusted in the manner provided by the ASX Listing Rules in the event of the Company conducting a rights issue prior to the lapse of the relevant Incentive.

Other rights to participate in bonus issues, reorganisations and new issues etc:

If the Company completes a bonus issue during the term of an Incentive, the number of Shares the holder is then entitled to will be increased by the number of Shares which the holder would have been issued in respect of Incentives if they were

exercised (in the case of Incentive Options) or are vested and are received (in the case of Performance Rights) immediately prior to the record date for the bonus issue.

In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Incentives to which the holder is entitled or the exercise price of the Incentives (if applicable), or both as appropriate, will be adjusted in the manner provided for in the ASX Listing Rules.

Subject to the terms of the Incentive Plan and as otherwise set out above, during the currency of the Incentives and prior to their exercise (in the case of Incentive Options) or vesting and receipt (in the case of Performance Rights), the holder is not entitled to participate in any new issue of securities of the Company as a result of their holding the Incentives.

Listing:

The Incentives will not be listed.

Board discretion:

Notwithstanding the Board's current policy, under the terms of the Incentive Plan, the Board has absolute discretion to determine the exercise price, the expiry date and vesting conditions of any grants made under the Incentive Plan, without the requirement for further Shareholder approval.

The requirement for shareholder approval

As indicated above, the Board is seeking Shareholder approval to the terms of the Incentive Plan in accordance with the ASX Corporate Governance Council's Best Practice Recommendations. Approval is also being sought under ASX Listing Rules 7.2, Exception 9(b).

ASX Listing Rule 7.2

Shareholder approval in accordance with ASX Listing Rule 7.2, Exception 9(b) will exempt grants under the Incentive Plan from the calculation of the 15% annual limit on the grant of new securities without prior Shareholder approval, for a period of three years from the date of the passing of Resolution 7.

In the absence of approval under ASX Listing Rule 7.2, Exception 9(b), grants under the Incentive Plan can still occur but are counted as part of the 15% limit which would otherwise apply during a 12 month period.

In accordance with ASX Listing Rule 7.2, Exception 9(b), the following information is provided to members:

- (a) The total number of Incentive Options and Performance Rights granted under the Incentive Plan since it was last approved is:

Number	Exercise Price	Grant date	Expiry date
13,715,586	Nil	31 August 2011	4 December 2014

- (b) A summary of the terms of the proposed Incentive Plan are set out above. A copy of the full terms of the Incentive Plan are available for inspection at the Company's registered office during business hours, or may be obtained free of charge from the Company at Level 11, 225 St Georges Terrace, Perth, Western Australia.

Seafarms Group Limited

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Other Information

The primary purpose of the grant of Incentives under the Incentive Plan is not to raise capital, but to form part of the employee's remuneration package. No funds will be raised from the grant of the Incentives. If Performance Rights are granted and vest, then no funds will be raised upon the issue of the Shares. However, if Options are granted and are exercised, then the net exercise price paid upon the issue of the Shares will be used for general working capital purposes. An employee must contribute their own money to the Company to fund the exercise price of any Options.

There are no significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentives upon the terms of the Incentive Plan proposed.

The Directors are not aware of any information other than that set out in this Explanatory Memorandum that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interests to pass the proposed Resolution 7.

Board Recommendation

The Board (other than Dr Christopher Mitchell and Harley Whitcombe who do not make a recommendation because they are each eligible to participate in the Incentive Plan) considers that the Incentive Plan remains an appropriate mechanism to assist in the recruitment, reward, retention and motivation of senior executives and employees of the Seafarms Group, and therefore the Board recommends that Shareholders vote **in favour** of Resolution 7. The Chairman intends to vote open proxies in favour of the Resolution 7.

Voting exclusion statement

The Company will disregard any votes cast on Item 7 by or on behalf of a Director or an associate of a Director (except a Director who is ineligible to participate in the Incentive Plan or any associate of such Director), as required by ASX Listing Rule 7.2 Exception 9(b).

However, the Company need not disregard a vote if the vote is cast as proxy for a person who is entitled to vote:

- in accordance with the directions on the Proxy Form; or
- the Chair of the meeting in accordance with a direction on the Proxy Form to vote as the proxy decides.

As at the date of this Notice, the Company has identified that Dr Christopher Mitchell and Harley Whitcombe and their respective associates are the only persons or class of persons who will be excluded from voting on Item 7.

ITEM 8 APPROVAL OF MAXIMUM GRANT OF PERFORMANCE RIGHTS TO EXECUTIVE DIRECTORS OVER NEXT 3 YEARS

Background

Under the terms of the Incentive Plan, which (subject to shareholder approval) is to be amended in accordance with Item 7, the Board has the discretion to grant Performance Rights to any employee it declares to be an "eligible executive" upon the terms set out in the Incentive Plan and upon such terms and conditions as the Board determines.

It is proposed to issue Performance Rights to certain executive directors of the Company being, Dr Christopher Mitchell and Mr Harley Whitcombe. The issues will be made from time to time over a period of three years from the date of approval at the 2015 annual general meeting. Dr Mitchell is an Executive Director of the Company. Mr Whitcombe is an Executive Director and Company Secretary of the Company.

Reasons for the grant of the Performance Rights

The proposed grant of the Performance Rights is to further align the interests of Executive Directors with those of Shareholders by linking their rewards to the long term success of the Company, specifically to returns achieved by Shareholders.

The Board believes that the success of the Company depends on the skills and motivation of the people engaged in the management of the Company's business. It is therefore important that the Company is able to retain and attract people of the highest calibre with the tightly held specialist expertise required for the Company's operations and in particular the planning, financing, construction and start-up of Project Sea Dragon.

Number of Performance Rights

Subject to Shareholder approval being obtained, the Board has the right to invite Dr Mitchell and Mr Whitcombe from time to time over a period of three years from the date of the 2015 annual general meeting, to apply for the number of Performance Rights selected by the Board at that time up to an aggregate maximum of 13,500,000 Performance Rights. If all Performance Rights were issued, they would convert to 13,500,000 Shares if the relevant vesting conditions are satisfied.

The relevant vesting conditions, performance hurdles and other terms are set out below.

Key terms of the Performance Rights

The Performance Rights are proposed to be 100% "at risk" and will be subject to vesting conditions which will be determined by the Board at the time of issue. Dr Mitchell and Mr Whitcombe will not participate in the determination by Board of the vesting conditions which are to apply to any Performance Rights to be issued to either of them.

The vesting conditions will include vesting conditions based on Seafarms Group achieving key performance and project milestones and ongoing service requirements. Primarily these will relate to the Company's aquaculture operations and in particular the planning, financing, construction and start-up of Project Sea Dragon.

Other than as set out above, the key terms of the Performance Rights will be consistent with the terms of the Incentive Plan. For a summary of the Incentive Plan refer to Item 7.

ASX Listing Rule Disclosures

For the purpose of the approval sought under ASX Listing Rule 10.14 and for all other purposes, the following information is provided to Shareholders in accordance with ASX Listing Rule 10.15A in respect of the Performance Rights:

- (a) Any Performance Rights to be issued pursuant to this approval will be granted to Dr Mitchell (Executive Director) and/or Mr Whitcombe (Executive Director and Company Secretary) or their respective nominees. No other directors are entitled to participate in these issue of performance rights under this approval.
- (b) Subject to Shareholder approval being obtained, the maximum number of Performance Rights granted to Dr Mitchell and/or Mr Whitcombe in total will be 13,500,000 Performance Rights.
- (c) No consideration is payable by Dr Mitchell or Mr Whitcombe at the time of grant of the Performance Rights or upon the allocation of Shares to which they may become entitled on the vesting of some or all of the Performance Rights.
- (d) The following grants have been made under the Incentive Plan as at the date of this Notice.

13,715,586 Performance Rights were issued for nil consideration to Directors and senior employees under the Incentive Plan in 2011. The vesting conditions for 9,143,725 Performance Rights were satisfied and

Seafarms Group Limited

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9,143,725 Shares were issued to Directors and senior employees. The balance of the Performance Rights did not meet key performance conditions and expired.

Performance Rights and Shares issued to Directors since the previous Shareholder approval on 24 February 2011 were:

Directors Name	Performance Rights Granted	Shares Issued
Andrew Grant	5,589,150	3,726,100
Christopher Mitchell	2,794,575	1,863,050

A further 5,331,861 Performance Rights have been granted to senior employees of the Company on the terms set out in the Incentive Plan. The vesting conditions for 3,554,575 Performance Rights were satisfied and 3,554,575 Shares were issued. The balance of the Performance Rights did not meet key performance conditions and expired.

- (e) No loans will be made by the Company in connection with the acquisition of the Performance Rights.
- (f) The details of any Performance Rights issued under the Incentive Plan will be published in each annual report of the Company relating to a period in which Performance Rights have been issued together with confirmation that approval of the issue of the Performance Rights was obtained under ASX Listing Rule 10.14.
- (g) Any additional persons who become entitled to participate in the Incentive Plan after the resolution was approved and who are not named in this Notice will not participate in the Incentive Plan until approval is obtained under ASX Listing Rule 10.14.
- (h) It is expected that any Performance Rights to be granted to Dr Mitchell and Mr Whitcombe from time to time after Shareholder approval is received will be made no later than three years from the date of the 2015 annual general meeting without obtaining further Shareholder approval. The Board (other than Dr Mitchell and Mr Whitcombe) will determine in their absolute discretion whether any Performance Rights will ultimately be issued to Dr Mitchell or Mr Whitcombe and may decide to issue all, some or none of the maximum number of Performance Rights approved under Item 8.

Corporations Act requirements

Chapter 2E of the Corporations Act also requires shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). Directors such as Dr Mitchell and Mr Whitcombe are considered to be related parties within the meaning of the Corporations Act. Any Performance Rights granted to Dr Mitchell and Mr Whitcombe will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

One of the exceptions to the requirement to obtain shareholder approval in accordance with Chapter 2E applies where the financial benefit constitutes part of the related party's "reasonable remuneration". The Board (other than Dr Mitchell and Mr Whitcombe who are unable to make a recommendation due to their interest in the resolution), considers that the grant of Performance Rights to Dr Mitchell and Mr Whitcombe and any issue of Shares upon the satisfaction of the vesting conditions of those Performance Rights to them constitutes part of Dr Mitchell's and Mr Whitcombe's reasonable remuneration. In reaching this conclusion, the Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies. In particular, the Board has had regard to the global and competitive nature of the business and Dr Mitchell's role as an Executive Director and Mr Whitcombe's role as an Executive Director and Company Secretary.

Any grant of Performance Rights to Dr Mitchell and Mr Whitcombe will have a diluting effect on the percentage interest of Shareholders' holdings if the Performance Rights vest and Shares are allocated accordingly. If Dr Mitchell and Mr Whitcombe are granted the maximum number of Performance Rights that may be granted (being 13,500,000 Performance Rights between them), all of them vest and Shares are issued to satisfy the requirement to provide Shares on vesting, the diluting effect would amount to approximately 1.52% of the Company's current issued Shares.

Termination benefits

The Corporations Act restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on leaving their employment with the Company or a related body corporate (the **Group**). Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the Group if it is approved by Shareholders or an exemption applies. The Company obtained this approval in respect of the Performance Rights granted under the Incentive Plan at the 2010 AGM. This approval will continue to apply to the Incentive Plan (as amended).

Board Recommendation

The Board (other than Dr Christopher Mitchell and Harley Whitcombe who do not make a recommendation because they are each eligible to participate in the Incentive Plan) recommends that Shareholders vote **in favour** of Resolution 8. The Chairman intends to vote open proxies in favour of the Resolution 8.

Voting exclusion statement

The Company will disregard any votes cast on Item 8 by or on behalf of a Director or an associate of a Director (except a Director who is ineligible to participate in the Incentive Plan or any associate of such Director), as required by ASX Listing Rule 10.15.5.

However, the Company need not disregard a vote if the vote is cast as proxy for a person who is entitled to vote:


- in accordance with the directions on the Proxy Form; or
- the Chair of the meeting in accordance with a direction on the Proxy Form to vote as the proxy decides.

As at the date of this Notice, the Company has identified that Dr Christopher Mitchell and Harley Whitcombe and their respective associates are the only persons or class or persons who will be excluded from voting on Item 8.

Seafarms Group Limited

ABN 50 009 317 846

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 798 306
(outside Australia) +61 3 9415 4830

┌ 000001 000 SFG
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 11:00am (AEDST) Saturday, 30 January 2016**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring a copy of this form to assist registration.

If a representative of a corporate securityholder is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Seafarms Group Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Seafarms Group Limited to be held at Corrs Chambers Westgarth, Level 25, 567 Collins Street, Melbourne, Victoria at 11:00am (AEDST) on Monday, 1 February 2016 and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2, 7 and 8 (except where I/we have indicated a different voting intention below) even though Items 2, 7 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2, 7 and 8 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Election of Director - Paul Favretto	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Change of Year End	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Ratification and approval of previous allotment and issue of ordinary shares under a placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Additional capacity to issue securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8 Approval of maximum grant of Performance Rights under the Incentive Plan to Executive Directors over next 3 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /