



Our Ref: SFG ASX Announce ASIC Waiver (561)

13 July 2018

ANNOUNCEMENT 561

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

By ASX Online
Number of pages: 2
(including this page)

Dear Sir

Demerger – ASIC relief obtained

As announced last month, Seafarms Group Limited ACN 009 317 846 (**Company**) intends to undertake a demerger of its environmental services business (**Demerger**). The Company proposes to implement the Demerger by undertaking an equal capital reduction through the pro-rata *in specie* distribution of all shares in CO2 Australia Limited (**CO2 Australia Shares**) to shareholders of SFG registered on the record date.

The Company is seeking shareholder approval for the Demerger at its extraordinary general meeting (**EGM**) to be held on Monday, 16 July 2018. The Company dispatched the notice of meeting for the EGM (**Notice**) to shareholders on 15 June 2018.

The Demerger is conditional on the grant by ASIC of prospectus relief for reconstructions in accordance with ASIC Regulatory Guide 188 (**Relief**). ASIC has today granted the Company the relief sought.

The Relief means that the Company does not need to lodge a prospectus in respect of the offer of CO2 Australia Shares to its shareholders under the Demerger. The Demerger changes the indirect interest in environmental services business to a direct interest and disclosure in relation to the impact of the Demerger is provided in the Notice.

At the date of dispatch of the Notice, the Company was awaiting ASIC's response to the application for the Relief. ASIC has advised that by dispatching the Notice to shareholders prior to receiving formal notification of the grant of the Relief, the Company was in breach of the prospectus provisions in the *Corporations Act 2001* (Cth) between the date the Notice was dispatched and the date the Relief was granted. This was an inadvertent and unintentional breach and the Company sought advice before proceeding on the basis adopted. The Company remains committed to being fully compliant with all applicable laws and regulations.

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/>