



Our Ref: SFG ASX Announce Founder Centre Update (576)

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Dear Sir

Seafarms Founder Stock Facility Update

Further capital committed to the expansion of Project Sea Dragon's World Class Breeding Program

Seafarms Group Limited is pleased to announce that the company has committed further significant capital to the expansion of its highly successful Founder Stock Centre at Exmouth in Western Australia.

The Founder Stock Centre is a critical part of the biosecurity strategy for the \$1.5 billion Project Sea Dragon (the **Project**). Long lead times are needed for the development of domesticated specific pathogen free families of prawns. Accordingly Seafarms commenced a successful pathogen screening program at the Founder Stock Centre in September 2016.

The Founder Stock Centre has now produced the first generation of specific pathogen free prawns, which Seafarms understand is unique in the Australia prawn farming industry.

Biosecurity is a priority for Seafarms and strict biosecurity protocols are in place at all of its sites. Continued ongoing screening of animals occurs at the Founder Stock Centre as part of the project's biosecurity strategy.

Pathogen screening is conducted independently from Seafarms by Ecodiagnostics, which uses technologically advanced biomolecular testing techniques such as real-time PCR (Polymerase Chain Reaction). Further testing is conducted if necessary and is supervised by the Western Australian Department of Fisheries. This testing program was developed with the advice of independent experts from a number of organisations including Panaquatic, James Cook University and CSIRO.

Due to the success of the program, the Founder Stock Centre facility is now at capacity and requires additional expansion capital.

The breeding program for the project will also involve the establishment of a Broodstock Maturation Centre, a Core Breeding Centre and commercial scale hatcheries. Once demonstrated to have been specific pathogen free for three generations, the prawns will be moved from the Founder Stock Centre to the commercial breeding facilities at two sites in separate biosecure locations near Darwin (refer to Figure 1 below).

Seafarms Managing Director Chris Mitchell said proactive biosecurity is one of the reasons why the Project's breeding facilities are located at isolated sections of the Darwin coastline, giving Seafarms control over all production systems and disease screening.

"North Australia is the ideal location for this project as its climate is suitable for prawns and its isolation and clean waters mitigate biosecurity risks," Dr Mitchell said.

"Seafarms is dedicated to producing the highest quality prawns and has assembled a strong team with demonstrable operational expertise in the fields of aquaculture operations, marine science, biosecurity and environmental sustainability, to deliver the project."

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Access to and land tenure for these facilities are part of the Project Agreement with the Northern Territory Government. The Northern Territory Government has commenced the development of important public infrastructure that will assist the logistics for these facilities, in particular the development Gunn Point Road.



FIGURE 1: DARWIN AREA BREEDING CENTRES- CBC, BMC AND HAC



IMAGE 1: PRAWN FROM THE EXMOUTH FACILITY



IMAGES 2 & 3: WILD PRAWNS BEING UNPACKED AT THE EXMOUTH FACILITY

Dr Chris Mitchell will be available to take queries/questions on (03) 9928 5111 in relation to this ASX announcement.

Yours faithfully
Seafarms Group Limited

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Company Secretary

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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 – an Australian agri-food company – operates aquaculture assets in eastern Australia producing high-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

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: www.seafarms.com.au/about-project-sea-dragon/