



Our Ref: SFG ASX Announce Legune Station Purchase Completed (593)

12 December 2018

ANNOUNCEMENT 593

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

By ASX Online
Number of pages: 18
(including this page)

Dear Sir

**Project Sea Dragon (PSD) – Significant Milestone -
AAM Completes Acquisition of Legune Station**

Further to an announcement made on 31 October 2018, Seafarms Group Limited (**Seafarms**) advises that AAM Licensees Pty Ltd as trustee of the Pastoral Development Property Trust (**PDT**) has completed the acquisition of Legune Station today.

This finalisation of the Sale Contract is an important step in the development of PSD because it provides Seafarms with the long term (90 years) land tenure certainty and increases capital efficiency for the PSD project.

Seafarms and PDT have already finalised a Sublease and Co-operation Agreement (see ASX Announcement dated 18 October 2018) that provides Seafarms access to Legune Station for the construction, development and operation of the whole of Project Sea Dragon (10,000 hectares). The Seafarms Sublease has been lodged for registration over Legune Station.

As shareholders are aware, development of PSD has already commenced with on ground earth works at Legune Station as well as the commencement of initial works program sponsored by the Northern Territory Government for the upgrade of the Keep River Road.

As announced on 18 October 2018 and as part of completion for the acquisition of Legune Station, Seafarms have issued 80 million unlisted options (in total) to LPIG Pty Ltd, an entity related to the AAM Investment Group. Enclosed is an Appendix 3B for the issue of the unlisted options.

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

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

Harley Whitcombe
Company Secretary

ENC

Seafarms Group Limited
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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

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 company's web site: www.seafarms.com.au/about-project-sea-dragon/

About AAMIG

PDT is part of the AAM Investment Group (AAMIG). AAMIG is a major Australian owned diversified agricultural investment and asset manager that specialises in agricultural operations throughout Australia.

For further information refer the AAMIG's web site: www.aamig.com.au

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Seafarms Group Limited

ABN

50 009 317 846

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|------------------------------|
| 1 | +Class of +securities issued or to be issued | Unlisted options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 80,000,000 unlisted options. |

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3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

- | |
|--|
| <p>(a) 30,000,000 unlisted options exercisable at \$0.10, subject to a 12 month voluntary escrow and expiring on the earlier of the date which is 6 months after the final payment is made under the terms of the acquisition of Legune Station (Transaction) and 5 years after completion of the Transaction; and</p> <p>(b) 50,000,000 unlisted options exercisable at \$0.10, subject to a 12 month voluntary escrow and expiring on the earlier of the date of repayment of a loan provided to the Company and 3 years after completion of the Transaction.</p> |
|--|

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Any ordinary shares issued upon exercise of the unlisted options will, on issue, rank equally in all respects with existing shares issued by the Company.</p>
<p>5 Issue price or consideration</p>	<p>Nil.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The purpose of the issue is to facilitate the Transaction and funds received on exercise will be used to assist in the development of the Company's world class Project Sea Dragon.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>Friday 24 November 2017.</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>80,000,000 unlisted options</p>

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6d	Number of +securities issued with security holder approval under rule 7.1A	Nil.
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil.
6f	Number of +securities issued under an exception in rule 7.2	Nil.
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 – 170,085,820 7.1A – 166,723,880
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	12 December 2018

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	1,417,319,704	Fully paid ordinary securities.
	249,919,097	Fully paid ordinary shares under voluntary escrow for a maximum period of 3 years from the date of issue (until 7 August 2021).
	125,807,471	Listed options with an exercise price of \$0.097 and expiring 17 July 2021.
	28,355,534	Listed options with an exercise price of \$0.097 and expiring 17 July 2021 under a voluntary escrow period of 3 years from the date of issue (until 7 August 2021).

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Convertible preference shares.
	30,150,189	
	30,000,000	Unlisted options granted 22 August 2017, with an exercise price of \$0.97 and expiring 22 August 2021.
	5,000,000	Unlisted options granted 18 January 2018 with an exercise price of \$0.97 and expiring 31 October 2021.
	5,320,622	Unlisted options granted 7 August 2018 with an exercise price of \$0.062 and expiring on 1 June 2023 under a voluntary escrow period of 3 years from the date of issue.
	30,000,000	Unlisted options granted on 12 December 2018 with an exercise price of \$0.10
	50,000,000	Unlisted options granted on 12 December 2018 with an exercise price of \$0.10
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The unlisted options will not confer rights to any dividends, distributions or interest payments.

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

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20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

- 32 How do security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 ⁺Issue date N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

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Entities that have ticked box 34(b)

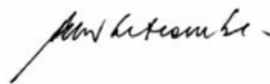
38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 50px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 12 December 2018

Executive Director and Company secretary

Print name:

Harley Whitcombe

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12. Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,403,584,698
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<ul style="list-style-type: none"> • 13,500,000 – 21 May 2018 (on conversion of performance rights – issued under rule 7.2 exception 9) • 249, 249,877,657 - 7 August 2018 (issue of new shares approved under rule 7.1). • 8,333 - 20 August 2018 (on exercise of listed options - issued under rule 7.2 exception 4). • 176,675 - 14 September 2018 (on exercise of listed options - issued under rule 7.2 exception 4). • 16,666 - 25 September 2018 (on exercise of listed options - issued under rule 7.2 exception 4). • 8,333 - 5 October 2018 (on exercise of listed options - issued under rule 7.2 exception 4). • 24,999 - 12 October 2018 (on exercise of listed options - issued under rule 7.2 exception 4). • 41,440 – 5 November 2018 (on exercise of listed options – issued under rule 7.2 exception 4).

Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	1,667,238,801

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Step 2: Calculate 15% of "A"	
"B"	0.15 <i>[Note: this value cannot be changed]</i>
Multiply "A" by 0.15	250,085,820 (subject to the effects of rounding)
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>30,000,000 Unlisted options granted on 12 December 2018 with an exercise price of \$0.10</p> <p>50,000,000 Unlisted options granted on 12 December 2018 with an exercise price of \$0.10</p>
"C"	80,000,000
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
<p>"A" x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	250,085,820 (subject to the effects of rounding)
<p>Subtract "C"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	80,000,000
Total ["A" x 0.15] – "C"	170,085,820 (subject to the effects of rounding) <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

3461-1018-7020v1

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,667,238,801
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	166,723,880
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	166,723,880
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	Nil
Total ["A" x 0.10] – "E"	166,723,880 <i>Note: this is the remaining placement capacity under rule 7.1A</i>