

Seafarms signs European sales deal

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Seafarms has cleared another milestone in its ambitious \$1.5 billion northern Australia aquaculture project, after signing an offtake agreement with a big European seafood distributor.

The aquaculture company's deal with Netherlandsbased Primstar will run for a minimum five years from the start of Project Sea Dragon, with an option to extend for another five years.

Primstar will market and sell 15 per cent of black tiger prawns from the initial stages of Project Sea Dragon as Seafarms completes its network of facilities across northern Australia.

Construction of a processing plant in Kununurra, which will receive harvested prawns from a 10,000ha growout centre at Legune Station in the Northern Territory, was due to start in October but has been delayed.

Seafarms, headed by WA rich lister Ian Trahar, signed a \$30 million equity deal in early 2018 with global seafood producer Nippon Suisan Kaisha, which will take between 10 per cent and 20 per cent of annual production from Project Sea Dragon.

Seafarms executive director Chris Mitchell said the Primstar deal was another milestone on the path to the financing of Project Sea Dragon.

"Primstar is a highly credible industry participant which provides access to key European markets," Dr Mitchell said.

"We look forward to working with the experienced and like-minded team at Primstar to develop branded premium prawn products for Europe."

Primstar chief executive Richard Oerlemans said Project Sea Dragon had the potential to be one of the world's biggest and would produce premium-quality prawns in a biosecure area.

Seafarms company secretary Harley Whitcombe said all approvals were in place for the project, meaning it was now "shovel ready".

Mr Whitcombe said Seafarms' focus this year would be negotiating with lenders and attracting investors to raise the \$350 million needed to break ground on stage one of the project.

In Exmouth, Seafarms has built a facility, pictured, to test for specific pathogen-free prawn broodstock. Work on this facility started in June 2016 for receipt of the first wild catch of black tiger prawns, and has been upgraded over the past 12 months.

Seafarms shares rose 0.3¢, or 4 per cent, to 7.2¢ yesterday.