

PROJECT SEA DRAGON

COMMUNITY UPDATE APRIL 2020

PROJECT HITS KEY TARGETS

Project Sea Dragon is a large-scale, integrated, land-based prawn aquaculture project in northern Australia designed to produce 200,000 tonnes of high-quality Black Tiger Prawns each year for export markets.

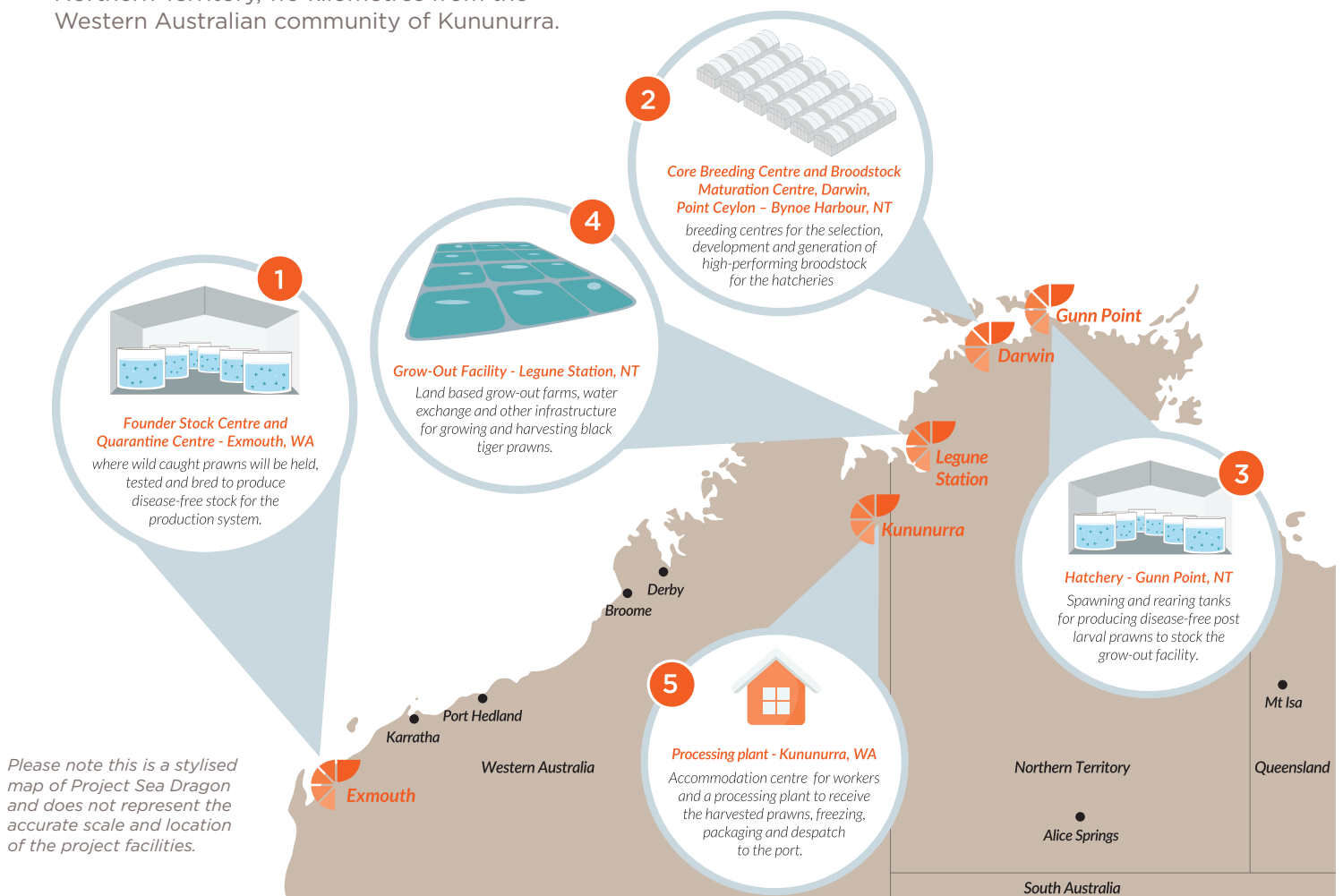
The project is shovel ready after eight years of research, planning, development and more than \$110 million of investment.

Seafarms has achieved all the material regulatory approvals, Project and Indigenous Land Use Agreements required to develop Stage 1 of Project Sea Dragon.

Stage 1 will see 1180 hectares of land based production ponds at Legune Station in the Northern Territory, 110 kilometres from the Western Australian community of Kununurra.

With government support, Seafarms commenced the early development of new and expanded facilities for the staged billion dollar project at three of its five locations – Exmouth in Western Australia and Legune Station and Bynoe Harbour in the Northern Territory.

Seafarms maintains strong partnerships with its stakeholders and the local community and established its Darwin headquarters in 2019 in addition to its office in Kununurra.



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LEGUNE STATION, NT

Native Title Holders Outstation Upgraded

Important infrastructure upgrades have been completed for Legune Station Native Title Holders through the Indigenous Land Use Agreement with Seafarms and the Northern Land Council (NLC).

The upgrades at Marralum outstation were part of the agreement to develop a grow out facility for Project Sea Dragon at Legune Station, 100 kilometres north of Kununurra.

The project was supported by the NLC's community planning and development program.

The upgrades included getting reliable power to the houses through a diesel generator and slow power kits with high power battery storage, fixing water access and building fences to protect the houses from bullocks.

Native title holders partnered with Aboriginal-owned Tangentyere Constructions and completed the works by December 2019.

Marcus Simon works on the Marralum outstation upgrades. Photo by Sarah Duguid courtesy of the Northern Land Council.



Ranger program planning begins

Project Sea Dragon is committed to supporting Aboriginal people to sustainably manage the Legune area.

Seafarms is working with the Northern Land Council (NLC) to plan for a ranger program for the Legune area to be led by the NLC.

Detailed planning includes defining the operating area for the ranger program, the scope of activities, appropriate governance arrangements and infrastructure needs.

Locations will be identified along with training needs and the nature of the proposed workforce.

Seafarms agreed to start the planning work early to ensure more effective implementation of the program once construction starts. Recruitment of the Ranger Coordinator is underway.

Fit out for Founder Stock Centre building 1.



EXMOUTH, WA

Founder Stock Centre buildings constructed

Upgrades to Seafarms' Founder Stock Centre (pictured left) in Exmouth are continuing with the construction of three new buildings. The first building has been fitted out and animals have been transferred into their new home.

Water treatment systems have been upgraded with new water reservoirs and water cleaning systems installed and further development will support future processes.



Aerial view of the inlet ponds.

BYNOE HARBOUR, NT

Broodstock Breeding Centre earthworks underway

Local contractors are performing earthworks and have installed fencing at the site of the Broodstock Breeding Centre located in Bynoe Harbour.

So far local contractors have completed access roads, formed inlet and outlet ponds, cleared an area for residential sites and implemented erosion controls.

Fencing around the site was completed by the Larrakia Development Corporation, which is owned and managed by the Traditional Owners of the area.

The main access road to the site was completed and the inlet and outlet ponds will continue to be constructed.



Bynoe seawater ponds progress

Design of the Broodstock Breeding Centre ensures stringent management of seawater for healthy prawns and a healthy environment. The seawater outlet ponds have been built to retain water and settle it to ensure that water of high quality is returned to the environment. The ponds were well-tested during the 2019–20 wet season.

MARKET READY

Australians will be enjoying fresh local Black Tiger Prawns from Project Sea Dragon along with some of the biggest seafood consumers around the world.

Away from the Territory, Seafarms has been working around the world to create the export market for Project Sea Dragon's prawns.

As part of this, Seafarms entered into an agreement with Nissui – the world's second largest seafood company – who not only invested directly in Seafarms, but has also undertaken to market the prawns in Japan.

The company delivered its first consignment of Black Tiger Prawns to Nissui from its Queensland Cardwell operations in October 2019. This is the first building block for a major export market in Japan for Project Sea Dragon.

Earlier this year Seafarms signed an extensive agreement with major European seafood distributor Primstar to export and market premium Black Tiger Prawns into Europe from Project Sea Dragon.

The five-year agreement sets out the arrangements to supply, sale and market prawn products from Project Sea Dragon when it is operational.

Based in the Netherlands, Primstar are substantial seafood producers and distributors in the market and handle 12 000 metric tons of shrimp and other seafood products annually.

The agreement is seen as an endorsement for Project Sea Dragon on the world stage and is another important milestone.

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Caption

Seafarms has also secured strong international demand with a Memorandum of Understanding with five major Chinese corporations to expose Project Sea Dragon to major seafood markets, globally.

The company has accreditation to export its premium product into major seafood markets in Japan, China and Europe.

Australia has not been forgotten. Project Sea Dragon's premium Black Tiger Prawns will also be sizzling on barbecues around Australia as part of a domestic sales and marketing agreement with Sealord (half owned by Nissui) – one of the largest seafood companies in the southern hemisphere.

QUICK FACTS

Seafarms is currently the largest supplier of aquaculture bred prawns into the Australian market.

Under its Crystal Bay brand (logo) Seafarms supplies to Australia's major retailers and leading wholesalers, including Woolworths.

200,000 tonnes

Project Sea Dragon has the capacity to produce over **200,000 tonnes** of Black Tiger Prawns a year for export

one of the world's largest

Once operational, Project Sea Dragon will be one of the **world's largest aquaculture projects**

stage 1 = 700+ full time jobs

Construction for Stage 1 will create **400 full time construction jobs**

1,500 jobs

At full scale, the project has the potential to create around **1,500 jobs in northern Australia**

world class breeding program

The project contributes towards research into **prawn breeding, biosecurity and food conversion efficiency**, with over **A\$5 million** committed to research with world leading institutions

NEXT STEPS

Project Sea Dragon facilities will continue construction in the 2020 dry season, subject to the final investment decision, with Seafarms looking to start stocking ponds in November 2021 and the first product to market in early 2022.

Anyone that would like to receive updates on the project can:

- register with ICN NT: <https://gateway.icn.org.au/project/3770/project-sea-dragon>
- email info@seafarms.com.au and request to be added to the investor mailing list, or
- follow Seafarms on linked-in

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