

Seafarms Group Limited (ASX:SFG)

SFG Announcement No. 679

Seafarms Group Project Sea Dragon Update

Investment Highlights

- Continued progress towards construction of Project Sea Dragon (PSD)
- Canstruct
 - Project Framework Agreement between Canstruct and PSD executed
 - Five critical construction packages have now been priced and are ready for implementation during this coming dry season (2021) at Legune Station
 - The contract values are within the Company's development budget (inclusive of contingency)
- Exmouth/Bynoe
 - Design of critical elements continued, and tenders imminent
- Moonamang Road Upgrade
 - Western Australian Government has commenced the upgrade of Moonamang Road that will complete a highway specification sealed all weather road from Kununurra to Legune Station

Sustainable aquaculture company Seafarms Group Limited (ASX:SFG) ("Seafarms" or "the Company") is pleased to announce continued progress towards construction of PSD, with initial work packages to budget.

Project Sea Dragon executes a Project Framework Agreement with Canstruct Pty Ltd

Seafarms is pleased to announce that Project Sea Dragon and Canstruct have executed a project framework agreement, following the Memorandum of Understanding to appoint Canstruct Pty Ltd as Managing Contractor as announced to the market in March 2021.

The binding framework agreement formalises key commercial matters, governance of the management process, and importantly locks in pricing for an initial package of construction works.

The agreement was finalised after agreement was reached on pricing and terms for the initial package of works, which involves five key contracts totalling approximately A\$78 million.

The value of this work is within Project Sea Dragon's budget and, subject to funding, will allow construction activities to commence at its Grow Out Facility in Legune during this dry season (2021).

The contract structure and pricing reduces price risk within the key construction packages and reduces the contingency required for the initial works at Legune. Canstruct is sending a small team to Darwin to help with local engagement and ramp up construction.

Exmouth/Bynoe

The Exmouth Founder Stock Centre and the Bynoe Core Breeding and Broodstock Maturation centres' design and pricing are well advanced enabling procurement for works to commence once funding is received. Funding will enable construction to start at both of these sites this dry season (2021).

These centres are and will be the core focus of Seafarms specific pathogen free (SPF) domestication program. The facility at Bynoe is designed to produce the animals to be delivered to the nursery and production grow out ponds at Legune Station. The aim of Seafarms SFG domestication program is to grow robust animals grown to large sizes that will demand a price premium in the market place.

As previously announced Seafarms Farm 3 was for the first time stocked with 80% domesticated fifth generation (G5) animals noting unlike PSD, these animals are not specific pathogen free but resulted from the domestication workstream of the company's Australian Research Council Program, which was announced in June 2014.

The recent Farm 3, 2020-21 crop demonstrated the growth rates and crop length to achieve the larger sizes.



CURRENT TYPICAL PRODUCTION SIZE



LARGER ANIMALS PRODUCED AT FARM 3

Moonamang Road Upgrade

Tangible Western Australian Government Support for Project Sea Dragon continues.

Seafarms is pleased to advise that upgrades to the remaining unsealed 7.5 kilometres of Moonamang Road to the border of the Northern Territory recently commenced. Upgrading this section of road significantly de-risks the Project Sea Dragon development.



PHOTOS OF MOONAMANG ROAD CONSTRUCTION SUPPLIED BY MAIN ROADS WA

This A\$18.3 million commitment by the Western Australian Government was announced by the Premier of Western Australia Mark McGowan in early September 2020.

The sealing of Moonamang Road completes the road upgrade from Kununurra to the Legune Station boundary.

This sealed road will provide year-round access to and from Legune Station in the Northern Territory, including the location for the farm (grow out ponds) and associated infrastructure of Project Sea Dragon. It will ensure the Company can efficiently move fresh prawns from where they will be grown and harvested at Legune to the planned processing plant near Kununurra all year round.

Prawn aquaculture will create a significant new year-round industry in the region and across the north, leading to the creation of 200 to 300 construction jobs and more than 150 jobs once operational.

This investment by the Western Australian Government complements the investment by the Northern Territory Government that resulted in 30 kilometres of the Keep River Road being constructed from the WA/NT border to Legune. This upgrade included building two bridges over the Keep River and Sandy Creek and was completed in November 2020 at an estimated cost of over A\$87 million. This road infrastructure project was sponsored by the Australian and Northern Territory governments.

The Western Australian Government has always been a strong supporter of Project Sea Dragon development. Previously announced government support includes:

- 🍊 June 2017 – The Company secured a significant land package for Project Sea Dragon Processing Plant in Kununurra. The lease includes a land purchase option once certain capital improvements have been made
- 🍊 September 2015 – Project Sea Dragon was awarded Major Project Status by the Western Australian Government. This Major Project Status complemented similar project status action taken both by the Northern Territory and Australian governments and reinforces the national significance of the Project, while acknowledging the significant employment and business opportunities and the significant potential to diversify both the Kimberley's and Northern Territory economies.

Authorised by the Board of Seafarms Group Limited.

Ends.

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About Seafarms Group

Seafarms Group Limited (ASX:SFG) is a sustainable aquaculture company, producing the premium Crystal Bay® Prawns and developing the Project Sea Dragon prawn aquaculture project in northern Australia.

Seafarms Group uses environmentally sustainable processes and is currently Australia's largest producer of farmed prawns, its Crystal Bay® Prawns and Crystal Bay® Tigers are available year-round in fresh and frozen formats. To learn more please visit: www.crystalbayprawns.com.au

Seafarms Group is investing in sustainable aquaculture for export through Project Sea Dragon, a large-scale, vertically integrated, land-based, prawn aquaculture project being developed in northern Australia. The standalone marine prawn production system will be capable of annually producing over 150,000 tonnes of prawns and the high-quality, year-round volumes will target export markets. To learn more please visit: www.seafarms.com.au