

ANNOUNCEMENT



SEA: NZX and Media Release

26 June 2015

Notification of issue of securities

For the purposes of Listing Rule 7.12.1 of the NZX Main Board Listing Rules, SeaDragon Limited (NZX:SEA) (the **Company**) advises that the following securities have been issued:

- (a) Class of security: Convertible loan notes (issued to One Funds Management Limited) (the **Notes**)
ISIN: Not applicable
- (b) Number issued: 1,250,000
- (c) Issue price: \$1,250,000
- (d) Payment in cash: Yes
- (e) Amount paid up: In full
- (f) Principal terms of the Securities:
Conversion price: Subject to obtaining required shareholder approvals, the conversion price will be at the same price and on the same terms as the issue of shares in a proposed rights offer (details of such rights offer yet to be determined as notified in an announcement on 24 June 2015) provided that at least \$5 million is raised in that offer and any related capital raising. If the Company raises less than \$5 million, the conversion will be at a 20% discount to the volume weighted average price of the shares over the 20 business days prior to the closing of the rights offer.
Conversion date: Subject to obtaining required shareholder approvals, the Notes will automatically convert into ordinary shares in the Company on the closing of the proposed rights offer. It is proposed that these approvals will be sought from shareholders at a special meeting in mid to late July.
- (g) Percentage of total Class of Securities issued: The Notes issued are the only Securities of that Class. The percentage of the total Class of Securities issued immediately following the conversion of the Notes will depend on the conversion price at the time and the amount of any rights offer accepted by other shareholders.
- (h) Reason for issue: Capital raising, as previously announced on 24 June 2015.
- (i) Authority for the issue: Board resolution dated 24 June 2015. Shareholder approval by way of ordinary resolution in accordance with Listing Rules 7.3.1(a), 7.5.1 and 9.2.1 and the Takeovers Code to be sought (not yet obtained).
- (j) Terms of the issue: As previously announced on 24 June 2015:
 - The Notes will automatically convert to ordinary shares in the Company on the closing of a proposed rights offer, subject to any required shareholder approvals.



- The conversion will be at the same price as the issue of shares in the rights offer to be announced by the Company provided that at least NZ\$5 million is raised in that offer and any related capital raising.
- The conversion will be at a 20% discount to the volume weighted average price of the shares over the 20 business days prior to the closing of the rights offer if the Company raises less than NZ\$5 million.
- The Notes will be drawn in two tranches of NZ\$1.25 million, the first tranche has been drawn down. The second tranche is available to be drawn at any time prior to 30 September 2015.
- Interest will accrue on the outstanding Notes at 18% per annum, reducing to 13% once shareholders have granted any required approvals to the conversion to equity.

(k) Total number of securities of the class in existence after the issue: 1,250,000.

(l) Treasury stock: Not applicable

(m) Date of issue: 26 June 2015

For further information contact:

Colin Groves
Chairman
Tel: +64 21 928 003

About SeaDragon www.seadragon.co.nz

SeaDragon (NZX:SEA) is New Zealand's largest refiner and blender of high-quality, internationally certified concentrated fish oils and fractions, including Omega-3 oils. Our oils are sourced from fish caught in the clean and pure waters around New Zealand, in the Southern Ocean, and elsewhere. We have more than 20 years' experience processing fish oils and we are recognised for the quality and purity of our products. We supply health supplement manufacturers around the world to meet the burgeoning demand for pure, high-quality fish oils, which are scientifically proven to deliver significant human health benefits such as lowering the risk of heart disease, improving brain function and joint health. The majority of our supply is exported.