

ANNOUNCEMENT



SEA: NZX and Media Release

17 July 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 the same price as the 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 price will be a 20% discount to the rights offer price (note that this price has been amended since the release of the Notification of Issue of Securities dated 26 June 2015).
Conversion date: Subject to obtaining required shareholder approvals, the Notes will automatically convert into ordinary shares in the Company on the issue of shares in the proposed rights offer. It is proposed that these approvals will be sought from shareholders at the annual meeting on 17 September 2015.
- (g) Percentage of total Class of Securities issued: The Notes issued comprise 50% of the total 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:

- 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 price will be the same price as the rights offer 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 price will be a 20% discount to the rights offer price (note that this price has been amended since the release of the Notification of Issue of Securities dated 26 June 2015).
- The Notes were to be drawn in two tranches of NZ\$1.25 million. The first tranche was drawn on 24 June 2015. This notice relates to the second tranche drawn on 14 July 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: 2,500,000.

(l) Treasury stock: Not applicable

(m) Date of issue: 17 July 2015

For further information contact:

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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.