

ANNOUNCEMENT



SEA: NZX and Media Release

10 August 2015

SeaDragon announces terms of Rights Offer and Shortfall Bookbuild

Capital to fund Omega-3 refinery completion and meeting working capital requirements

New Zealand's largest refiner and blender of fish oils SeaDragon Limited (NZX:SEA) today announces a rights offer to raise a minimum of \$5 million to assist with the company's transition to the commercial production of Omega-3 oils.

The offer includes a pro-rata offer to all Eligible Shareholders of renounceable rights to buy shares and options to buy shares (the **Rights Offer**), together with a Shortfall Bookbuild (the **Shortfall Bookbuild**). (The Rights Offer and the Shortfall Bookbuild are referred to together as the **Offer**).

The Rights Offer is an offer to Eligible Shareholders of the right to acquire (i) one new share and (ii) one option to acquire a new share. Eligible Shareholders will be granted 3 rights for every 5 existing shares held on the Record Date. Entitlements will be scaled up to a minimum holding of 2,000 rights.

The rights will be issued at no charge and will trade under code SEARA on the NZX Main Board. The price for exercising the rights will be \$0.008 per right and new shares will be issued on the same terms as the existing ordinary shares.

Any new shares and options attributable to rights not taken up by the closing date, including those rights of persons who are not Eligible Shareholders, will be offered to Eligible Bookbuild Investors via a Shortfall Bookbuild process.

The options issued as part of the Rights Offer will be exercisable at any time during the period from 1 October 2015 until 5:00pm on 29 September 2018 for an exercise price of \$0.015 per new share. These options will not be listed for trading on the NZX Main Board.

SeaDragon Chairman Colin Groves said: "SeaDragon has a unique opportunity to capitalise on the deep blue waters of New Zealand and the South Pacific to be the only large-scale food grade Omega-3 fish oil producer in Australasia and South East Asia.

"The capital raised in this programme will be used to assist the realisation of this opportunity, funding the completion of SeaDragon's new Omega-3 plant in Nelson, the addition of a fractionation plant to that facility (leading to a higher value, higher quality product), to upgrading the existing Omega-2 facility, to paying the costs of this offer and to meeting the company's working capital requirements as it transitions to the commercial production of Omega-3 fish oils.

"On successful completion of the offer, and completion of the Omega-3 plant, SeaDragon will be in a strong position to grow the profitability of the business, aligned with our vision to be recognised by consumers as the global leader in the production of unique and sustainably harvested fish oils for use in supporting healthy lifestyles."

Key dates:

Event	Date
Record Date for determining entitlements under the rights offer (the Record Date)	5:00pm, 20 Aug 2015
Opening date for the offer	20 Aug 2015
Rights trading commences on the NZX under the ticker SEARA	18 Aug 2015
Rights trading closes on the NZX	7 Sept 2015
Closing date for applications	5:00pm, 11 Sept 2015
Book build process	Open: 11 Sept 2015 Close: 15 Sept 2015
Issue and allotment of new shares	18 Sept 2015

Eligibility

The Rights Offer is only open to shareholders of SeaDragon with registered addresses in New Zealand as at the Record Date, or other persons that SeaDragon is satisfied can participate in the rights offer in compliance with all applicable laws (**Eligible Shareholders**).

SeaDragon considers that the legal requirements of other jurisdictions in which shareholders have a registered address (including Australia, the United States and the United Kingdom) are such that it would be unduly onerous for SeaDragon to make the Rights Offer in those jurisdictions.

The entitlements of all shareholders of Seadragon who are not Eligible Shareholders will be issued to a nominee who will endeavour to sell those entitlements. The net proceeds (if any) less costs (calculated as 0.25% of the price at which the rights are sold) will be paid to those shareholders.

Shortfall Bookbuild

The Shortfall Bookbuild will be completed by 15 September 2015. Eligible Bookbuild Investors participating in the Shortfall Bookbuild will be able to bid for new shares that are attributable to Unexercised Rights.

If the proceeds from the issue of new shares under the Shortfall Bookbuild on a per share basis (**Bookbuild Price**) exceeds the issue price (\$0.008 per right), such excess less transaction costs will be paid to the holders of the Unexercised Rights in proportion to their holdings of Unexercised Rights.

Offer Document

Full details and terms of the offer will be contained in an Offer Document, which will be made available to be downloaded from NZX Limited's website, www.nzx.com, under stock code SEA.

Application has been made to NZX for permission to quote the rights on the NZX Main Board, and all the requirements of the NZX relating thereto that can be complied with on or before the date of the offer will be duly complied with. However, NZX accepts no responsibility for any statement in this announcement or the Offer Document to which it relates. NZX is a registered exchange which operates the NZX Main Board, a registered market, regulated under the Financial Markets Conduct Act 2013.



For further information contact:

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About SeaDragon: www.seadragon.co.nz

SeaDragon Limited (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.