

ANNOUNCEMENT



NZX / MEDIA RELEASE

31 May 2016

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 Comvita Limited (**Comvita**))
ISIN: Not applicable
- (b) Number issued: 1,500,000
- (c) Issue price: \$1,500,000
- (d) Payment in cash: Yes
- (e) Amount paid up: In full
- (f) Principal terms of the Securities:
Conversion price: \$0.008 per share.
Conversion date: At any time before 5:00pm on 28 September 2018 and subject to obtaining any required shareholder approvals, each of Comvita and the Company has the option to convert the Notes into ordinary shares in the Company by notice to the other.
- (g) Percentage of total Class of Securities issued: The Notes issued comprise 100% of the total issued Securities of that Class.
- (h) Reason for issue: To assist the Company through its staged exit of the Omega-2 market, as announced on 27 May 2016 and 30 May 2016.
- (i) Authority for the issue: Board resolution. Shareholder approval by way of ordinary resolution in accordance with Listing Rules 7.3.10, 7.5.1 and 9.2.1 and the Takeovers Code to be sought (not yet obtained).
- (j) Terms of the issue:
 - Comvita has made available to the Company a loan facility of up to a total aggregate amount of \$3,000,000 by way of convertible loan notes, which notes will be convertible to ordinary shares in the Company at a conversion price per share of \$0.008.



- Interest will accrue on the outstanding notes at 12% per annum, reducing to 7.95% once shareholders have granted any required approvals to the conversion to equity.
 - The notes mature at 5:00pm on 28 September 2018. Prior to maturity of the notes and subject to any required shareholder approvals, the Company and Comvita each has the option to convert the notes by notice to the other. Subject to shareholder approval, the date of expiry of the existing option granted to Comvita to acquire 375,000,000 shares in the Company will be extended to the maturity of the notes (i.e. 5:00pm on 28 September 2018).
 - Subject to shareholder approval, the notes are secured by a second ranking security behind Heartland Bank.
 - It is proposed that the required shareholder approvals will be sought from shareholders at the 2016 annual meeting of the Company.
- (k) Total number of securities of the class in existence after the issue: 1,500,000.
- (l) Treasury stock: Not applicable
- (m) Date of issue: 30 May 2015

For further information contact:

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About SeaDragon

SeaDragon (NZX:SEA) is New Zealand's largest refiner and blender of high-quality, internationally-certified concentrated Omega-3 fish 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. See: www.seadragon.co.nz