

ANNOUNCEMENT



The Seadragon Board wishes to provide guidance on the company's expected full year financial result.

We expect Normalised EBITDA for the full financial year to 31-March-17 to be in the range of a loss of (4.3)m to (4.5)m (2016: loss of (0.4m)).

This result is a reflection of the time it has taken to transition the business from its legacy Omega-2 business to Omega-3 fish oils refined in the new refinery. The transition of the business is now substantially complete, with approximately 95% of all saleable inventory of legacy products now sold.

To enable future sales, a key focus for the last year has been establishing on-going supply arrangements for crude tuna oil (CTO) for processing through our new refinery. It has taken until the final quarter of this financial year to receive ongoing supply of CTO in commercially relevant quantities. This has taken longer than originally expected and was also impacted by the seasonal nature of CTO supply, whereby we have had to wait until key supply partners have exited alternative customer contracts.

We now have a signed supply agreement for approximately 500,000 to 750,000 kg of CTO from the Indian Ocean over the next 12 months, along with agreed supply of approximately 500,000 to 1,000,000 kg from the South Pacific, South East Asia and South America. This gives us a good mix of CTO going forward for refining for key existing and potential customers in Europe, South East Asia, Japan, Australia and New Zealand.

We have received and processed 6 containers of CTO, each weighing 22,000kg, so far in the current financial quarter. By 31-March-17 we expect to have received, or have enroute, an additional 4 containers of CTO. We have yet to enter into any contracts for the sale of the refined oil. We will continue to work on increasing supply volumes during the next financial year. We note that we do not expect to fully utilise our refineries capacity in the next financial year.

Several of our existing and potential customers are currently evaluating samples of refined tuna oil. Although no large volume sales contracts have been entered into yet we believe our samples meet their specifications and are hopeful we will soon receive orders. When we have these orders confirmed we will have sufficient volume throughput whereby overhead allocation across our production facility is covered leading to a more profitable result for our shareholders.

Attached to this announcement is an updated strategy overview document setting out the company's strategic focus on Omega-3 markets going forward.

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.