

ANNOUNCEMENT



NZX / MEDIA RELEASE

3 May 2017

SeaDragon provides market update

SeaDragon Limited (NZX:SEA) wishes to update the market.

The Board continues its discussions with certain cornerstone shareholders to negotiate the terms on which those shareholders will advance funds to SeaDragon to meet its immediate- to medium- term cash flow requirements, including to provide funds to cover both estimated working capital requirements and continuing operating losses. SeaDragon advises that additional funds will be required by the company during the course of the current calendar month.

The Board has appointed a subcommittee comprising Colin Groves, Richard Alderton and Stuart Macintosh to lead the negotiations with those cornerstone shareholders with respect to the terms of such capital raising. The Board is also considering opportunities to allow other current shareholders to participate in the proposed capital raise, including potentially through a follow-on renounceable pro rata rights offer.

The Board currently expects the financial result for the year ended 31 March 2018 to be a normalised EBITDA loss of approximately \$(4.1) million to \$(4.4) million. The normalised EBITDA loss for the prior financial year was \$(4.7) million. Unaudited financial results for the March 2018 financial year will be released to the market by 30 May 2018 and audited results will be released by 30 June 2018.

Finally, SeaDragon would like to announce that progress has been made with the signing yesterday of a contract with a new customer for the sale of a material volume of semi-refined oil over the course of the next 18 months. The order is subject to supplying an initial quantity of product that meets set quality and specification requirements.

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.