

NZX / MEDIA RELEASE

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SeaDragon announcements new convertible loan arrangement

SeaDragon Limited (NZX:SEA) is pleased to announce that it has agreed a term sheet with cornerstone shareholder, Pescado Holdings Limited (a member of the Masthead group of companies) ("Pescado"). Under the terms agreed, Pescado has committed to advance up to \$4.0 million via a new convertible loan note facility (the "New CLN") to assist the company with its immediate and medium term funding requirements.

SeaDragon Chairman of the capital raising committee Bryan Mogridge said: "The continued support of our cornerstone shareholder is very valuable to SeaDragon. These facilities will allow SeaDragon to continue to target sales growth".

The New CLN will have the following features:

- Maturity – 31 March 2021.
- Conversion – The New CLN will convert to ordinary shares in SeaDragon at a conversion price of \$0.002 per share. This conversion price represents approximately a 20% discount to the average price for SeaDragon shares traded over the past 6 months.
- Interest under New CLN – Interest is nil prior to an event of default, and 9.95% per annum while an event of default is subsisting.
- Interest under existing convertible loan note facilities – subject to shareholder approval being obtained at a special general meeting for the New CLN, each holder of the existing convertible loan note facilities to SeaDragon (being Pescado, Comvita Limited and BioScience Managers (One Funds Management Limited)) has agreed to waive its rights to receive interest under those facilities in respect of the period on and from 1 April 2019.
- Security – All indebtedness under the New CLN and existing convertible loan note facilities will be secured over all of the assets of SeaDragon and its subsidiaries, in each case under existing security arrangements.

Pescado's agreement to provide the New CLN remains subject to the parties agreeing and entering into documentation reflecting the term sheet and will be subject to conditions to drawing. Shareholder approval is required, and a special general meeting is being planned to obtain approval for the New CLN. SeaDragon will update the market as soon as a date for this meeting has been set and additional information (including a combined independent adviser's/independent appraisal report) will be provided to shareholders in advance of that meeting.

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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.