



OFFER DOCUMENT

**1 FOR 1 RENOUNCEABLE RIGHTS OFFER OF ORDINARY SHARES IN SEADRAGON
LIMITED**

The Offer opens on 28 August 2018

A copy of the Offer Document is available at www.nzx.com under stock code SEA. Eligible shareholders will be sent a copy of the Offer Document together with an Entitlement and Acceptance Form on 30 August 2018. Your entitlement will be set out in your personalised Entitlement and Acceptance Form.

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This Offer Document is an important document. It explains SeaDragon Limited's plans to raise new capital up to a maximum of approximately \$14.9 million through a pro-rata 1 for 1 renounceable rights offer of ordinary shares, together with a shortfall bookbuild. The rights offer detailed in this Offer Document will give all eligible shareholders the right to acquire one new share per each existing share held by them as of the Record Date. Eligible shareholders will be granted 1 right for every 1 existing share they hold on the rights offer Record Date (5:00pm, 29 August 2018). The price for exercising the rights will be \$0.0033 per right. Please take the time to read this Offer Document carefully, and if necessary seek financial advice from a qualified Authorised Financial Advisor.

IMPORTANT INFORMATION

General Information

This Offer Document has been prepared by SeaDragon Limited (“**SEA**” or “**SeaDragon**”) in connection with a pro-rata 1 for 1 renounceable rights offer of New Shares (the “**Offer**”) and a shortfall bookbuild of New Shares attributable to Rights not taken up under the Rights Offer (the “**Shortfall Bookbuild**”).

The Rights Offer and the Shortfall Bookbuild are referred to together as the “**Offer**”.

The Offer is made to Eligible Shareholders under the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand). Eligible Shareholders who subscribe for their full entitlement of New Shares may also apply for additional New Shares through an Oversubscription Facility.

This Offer Document is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (New Zealand) and does not contain all of the information that an investor would find in a product disclosure statement or which may be required in order to make an informed investment decision or about the Offer or SEA.

Additional Information Available

SEA is subject to continuous disclosure obligations under the Listing Rules. Market releases by SEA including its most recent financial statements are available at www.nzx.com under stock code SEA. Further information about SEA can be found on its website (www.seadragon.co.nz) and on the public register of the Companies Office (www.business.govt.nz/companies).

Offering Restrictions

The Offer is open only to Shareholders of SEA as at the Record Date who are resident in New Zealand or other persons that SeaDragon is satisfied can participate in the rights offer in compliance with all applicable laws (“**Eligible Shareholders**”). The Shortfall Bookbuild is only available to Eligible Bookbuild Investors.

By applying for New Shares under the Offer you will be deemed to either represent that you are a resident of New Zealand and you are not acting for the account or benefit of any other person or that you can otherwise participate in the Offer in compliance with all applicable laws. None of SEA nor any of its directors, officers, employees, consultants, agents or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.

No action has been taken to permit a public offering of the New Shares in any jurisdiction outside New Zealand. The distribution of this document in a jurisdiction outside New Zealand may be restricted by law and persons who come into possession of it (including nominees, trustees or custodians) should seek advice on and observe any such restrictions.

No person may subscribe for, purchase, offer, sell, distribute or deliver New Shares, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the New Shares, in any jurisdiction other than in compliance with all applicable laws and regulations. Without limiting the foregoing, this document may not be sent into or distributed in the United States of America.

No Guarantee

No guarantee is provided by any person in relation to the New Shares to be issued pursuant to the Offer. No warranty is provided with regard to the future performance of SEA or any return on any investments made pursuant to this Offer Document.

Forward Looking Statements

This Offer Document may contain forward-looking statements and projections. These reflect SeaDragon’s current expectations, based on what it thinks are reasonable assumptions. SeaDragon gives no warranty or representation as to its future financial performance or any future matter. Except as required by law or the Listing Rules, SeaDragon is not obliged to update this Offer Document after its release, even if things change materially. This Offer

Document does not constitute financial advice.

You should not place undue reliance on any forward looking statements or projections contained in this Offer Document. Under no circumstances should you regard the inclusion of forward looking statements or projections as a representation or warranty by SEA or its respective officers or directors or any other person with respect to the achievement of the results set out in any such statement or projection, or that underlying assumptions used will in fact be realised.

SEA has no responsibility to announce the results of any changes to any of the forward-looking statements or projections contained in this Offer Document, except to the extent required by the Financial Markets Conduct Act 2013, the Listing Rules or the Financial Reporting Act 2013.

Dividend Policy

The payment of dividends is at the discretion of the Board. The Board has taken a position having regard to the current financial position of SeaDragon that any cash surpluses or profits shall be retained by SeaDragon and consequently no dividends are planned to be paid during the next financial year or in the immediate future. The Board will review their dividend policy regularly after taking into consideration the capital requirements, operating performance, financial position and cashflow of SeaDragon. New Shares allotted under the Offer will participate alongside existing Shares for any dividends declared by SeaDragon subsequent to their allotment.

Use of Funds

The funds raised will be used:

- (a) to pay the costs of this offer; and
- (b) to fund SeaDragon's medium- to-long-term funding requirements, including to facilitate growth in sales, to meet working capital and operational expenses, capital expenditure items as well as to fund ongoing operating losses.

Decision to Participate in the Offer

The information in this Offer Document does not constitute a recommendation to acquire New Shares. It also does not amount to financial product advice. This Offer Document has been prepared without taking into account the particular needs or circumstances of any Applicant or investor, including their investment objectives, financial and/or tax position.

Privacy

Any personal information provided by Eligible Shareholders on the Entitlement and Acceptance Form will be held by SEA and/or the Registrar at the addresses set out in the Directory. This information will be used for the purposes of administering your investment in SEA. This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the Privacy Act 1993 (New Zealand), you have the right to access and correct any personal information held about you.

Enquiries

Enquiries about the Offer can be directed to an NZX Primary Market Participant, an Authorised Financial Adviser, or your solicitor, accountant or other professional adviser. If you have any questions about the number of New Shares to which you are entitled, or how to complete the Entitlement and Acceptance Form, please contact the Registrar.

CHAIRMAN'S LETTER

Dear Shareholders

SEADRAGON PRO-RATA RENOUNCEABLE RIGHTS OFFER

SeaDragon is pleased to announce a pro-rata 1 for 1 renounceable rights offer of ordinary shares, together with a shortfall bookbuild, to raise additional capital.

The funds will be used to pay the costs of this offer and to fund SeaDragon's short to medium term funding requirements, including to facilitate growth in sales, to meet working capital and operational expenses, capital expenditure items as well as to fund ongoing operating losses. At \$0.0033 per right, this offer will give all shareholders the opportunity, to support SeaDragon in its sales growth phase at the same price as the conversion price under the convertible loan note agreements with each of Pescado Holdings Limited, One Funds Management Limited and Comvita Limited.

The rights offer is an offer to Eligible Shareholders of the right to acquire one new share for every existing share held on the rights offer record date, 5:00pm, 29 August 2018 (the **Record Date**). 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**). Eligible Shareholders who subscribe for their full entitlement of new shares under the offer may also apply for additional shares through an oversubscription facility. Each of Comvita Limited, Pescado Holdings Limited and One Funds Management Limited have confirmed that they will not exercise rights issued under the offer in a manner that will increase their shareholding percentage.

The rights will be issued at no charge. Entitlements will be scaled up to a minimum holding of 2,000 rights with fractional entitlements rounded up to the nearest whole number. The price for exercising the rights will be \$0.0033 per right exercised. New shares will be issued on the same terms as the existing ordinary shares.

The rights offer will open to Eligible Shareholders on 28 August 2018. The rights will trade under the code SEARC on the NZX Main Board from 28 August 2018 until 24 September 2018, and the close date for applications is 5:00pm on 28 September 2018 with the allotment and issue of new shares to occur by no later than 5 October 2018.

At the completion of rights trading, an auction process (shortfall bookbuild) will be conducted to sell those rights that have not (or cannot) be exercised by existing shareholders, with the proceeds (net of costs) (if any) being returned to those shareholders on a pro-rata basis.

Please read the accompanying offer documentation carefully, and seek financial advice if you require it in considering the offer. The Entitlement and Acceptance Form will be posted to you on 30 August 2018.

I thank you for your continued support of SeaDragon.

Yours sincerely

Colin Groves
Chairman, SeaDragon Limited

KEY INFORMATION ABOUT THE OFFER

Issuer	SeaDragon Limited.
The Offer	A pro-rata renounceable rights offer to Eligible Shareholders of the right to acquire 1 New Share for every 1 Existing Share held on the Record Date.
Issue Price	\$0.0033 per Right (rounded to the nearest whole cent).
Offer Size	Up to a maximum of \$14,894,941.77 (subject to rounding).
New Shares	The New Shares are ordinary shares in SEA and are the same class as, and rank equally in all respects with, SEA's quoted Existing Shares at the time of allotment of the New Shares. The New Shares will be quoted on the NZX Main Board following allotment.
Eligible Shareholder	Shareholders with registered addresses in New Zealand as at the Record Date and other Shareholders that SEA is satisfied can participate in the Offer in compliance with all applicable laws.
Rights	Each Right entitles an Eligible Shareholder to subscribe for 1 New Share at the Issue Price, provided that Entitlements will be scaled up to a minimum aggregate holding of 2,000 Rights per Eligible Shareholder (" Minimum Entitlement ").
Acceptance of Rights	<p>Eligible Shareholders will be issued their Rights at no charge. On the exercise of any Right you must pay the Issue Price for each Right exercised. You will receive one New Share for every Right exercised. Your entitlement to Rights is set out in the Entitlement and Acceptance Form. Fractional entitlements are rounded up to the nearest whole number.</p> <p>You are not required to exercise all of the Rights to which you are entitled under the Offer. You may exercise a portion of your Rights to subscribe for a proportion of the New Shares, sell or renounce your Rights (see the section headed "Rights Trading" below) or not take any action (in which case your Rights will lapse at 5:00pm on the Closing Date). If SEA receives both a renunciation and an acceptance in respect of the same Rights on or before 5:00pm on the Closing Date, the renunciation will be given effect in priority to the acceptance.</p> <p>See "Actions to be taken by Eligible Shareholders" later in this Offer Document.</p>
Oversubscription Facility	<p>Eligible Shareholders may apply for an additional number of New Shares in excess of their Entitlement.</p> <p>If the applications for additional New Shares exceed the number of New Shares available (being those New Shares which have not been validly subscribed for by Rights holders by 5:00pm on the Closing Date ("Unsubscribed Shares")), then such applications will be satisfied on a pro-rata basis (calculated on the relevant Rights holder's Entitlement) up to the total number of Unsubscribed Shares, or on such other basis as SEA may determine.</p> <p>Applications for additional New Shares under this Oversubscription Facility will be accepted (in full or in part) or rejected at the Board's discretion.</p>
Rights trading	<p>Application has been made to NZX for permission to quote the Rights on the NZX Main Board between the dates set out in the "Important Dates" section below and all of the requirements of NZX relating thereto that can be complied with on or before the date of this Offer Document have been duly complied with. However, NZX accepts no responsibility for any statement in this Offer Document.</p> <p>You may trade Rights in accordance with normal trading practice for securities quoted on the NZX Main Board. The sale or purchase of Rights may incur brokerage fees.</p>
Shares currently on	SEA (as at the date of this Offer Document) has 4,513,618,718 shares quoted

issue	on the NZX Main Board. Following the issue of the New Shares (assuming no options are exercised and no convertible securities convert to shares), SEA will have up to 9,027,237,436 (subject to rounding) ordinary shares on issue.
Shortfall Bookbuild	<p>Any New Shares attributable to Rights not taken up by the Closing Date (5:00pm, 28 September 2018), including those of persons who are not Eligible Shareholders ("Unexercised Rights"), will be offered to Eligible Bookbuild Investors via a bookbuild process (the "Shortfall Bookbuild").</p> <p>The Shortfall Bookbuild will be completed by 5:00pm on 2 October 2018. 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 (\$0.0033 per New Share), such excess less transaction costs will be paid to the holders of the Unexercised Rights on a pro-rata basis.</p> <p>SEA reserves the right to limit the allotment of New Shares to any person under the Shortfall Bookbuild for any reason, or to cancel the Shortfall Bookbuild at any time prior to allotment of New Shares.</p>
Eligible Bookbuild Investor	<p>Persons who:</p> <ul style="list-style-type: none"> • if resident in New Zealand: <ul style="list-style-type: none"> (a) are persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; and / or (b) apply to participate in the Shortfall Bookbuild through a NZX Primary Market Participant; or • if resident outside of New Zealand, are persons to whom an offer of New Shares can be made under all applicable laws, without the need for any registration, lodgement or similar formality.
Maximum number of New Shares being offered	4,513,618,718 (subject to rounding)
Maximum Shares on completion of the Offer	9,027,237,436 (subject to rounding) (assuming that no options are exercised and no convertible securities convert to shares)

IMPORTANT DATES

Offer Document released	28 August 2018
Rights trading commences and Rights quoted on the NZX Main Board	28 August 2018
Offer opens	28 August 2018
Record Date	29 August 2018
Expected date of dispatch of Offer Document and Entitlement and Acceptance Form	30 August 2018
Rights trading ends	24 September 2018
Offer closes (last day for receipt of completed Entitlement and Acceptance Forms with payment and any renunciations)	5:00pm, 28 September 2018
New Shares allotted	5 October 2018
Expected date of quotation of New Shares	5 October 2018
Shareholder statements dispatched to successful applicants no later than	5 October 2018

These dates are indicative only. Applicants are encouraged to submit their applications as early as possible. SeaDragon reserves the right to vary any of the dates at its sole discretion.

RISKS

As with any equity investment there are risks in investing in SeaDragon. Key risks specifically associated with an investment in SeaDragon include the risks detailed below. This is not an exhaustive list.

Investor Risks

The principal risk for investors in SeaDragon is that they could be unable to recoup their original investment. This could occur for a number of reasons including:

- the price at which investors are able to sell their shares is less than the price they have paid due to market volatility or for other reasons; or
- they are unable to sell their shares at all; or
- SeaDragon is placed in receivership or liquidation.

Investors could receive none of, or less than, the potential returns discussed elsewhere in this Offer Document if SeaDragon becomes insolvent for any reason.

If SeaDragon's operational and financial performance is worse than investors expect, the future market price of Shares may be less than the price paid for them and the returns on Shares may be less than anticipated.

The performance of the NZX Main Board and international securities markets generally may also negatively impact SeaDragon's financial performance and in turn its share price.

Supply of raw materials

SeaDragon is reliant on raw materials that are sourced from the ocean. Climatic conditions and natural stock numbers of fish can naturally vary and as such can impact on the availability of raw materials for processing and therefore on SeaDragon's profitability. As Omega-3 products are a new product line for the company, we are working to negotiate sufficient supply to meet the growth plan for the business. There is no guarantee that SeaDragon will be able to source sufficient raw material supply, which would have an adverse impact on our financial results.

Customers

As Omega-3 products are a new product line for the company, we continue to work to establish our presence in this new market with new and potential customers. Although we have made progress in establishing SeaDragon as a supplier to three major refiners and continue to engage with several other potential new customers, there is no guarantee that we will be able to agree terms with these potential new customers. If we are unable to do so, that would have an adverse effect on our financial results.

Business / operational performance of Omega-3 business

SeaDragon's transition to the Omega 3 markets following the completion of the new Omega 3 refinery in the 2016 financial year represents new growth opportunities for the company. However, these new growth opportunities in the Omega-3 market present challenges of building certainty of revenue over the next 12 to 18 months as SeaDragon continues to seek to establish itself as a credible supplier to the growing Omega-3 market. Until SeaDragon has done so, there is a heightened risk to the ongoing cash position of the company.

Access to key markets

SeaDragon is dependent upon importing regulations and achieving the regulatory standards for its products in key export markets. Any restrictive change could affect our ability to supply products to that market, or affect the price at which products are sold.

Foreign exchange

A significant proportion of SeaDragon's sales are earned in export markets and the majority of raw materials are purchased in foreign currency. SeaDragon attempts to manage foreign currency risks through a hedging policy and offsetting costs in-market. However, depending on the product mix, a stronger New Zealand dollar could negatively impact SeaDragon's profitability.

Fixed cost base

SeaDragon has invested in establishing a business base that it considers can sustain a significantly higher level of revenue without material cost increases – i.e. it provides good operating leverage. Earnings therefore are sensitive to changes in revenue (both up and down). If sales are unexpectedly lower, SeaDragon may not have sufficient time to adjust its fixed cost base, and profitability may be negatively impacted.

Other business risks

There are further business risks, common to the industry, which may impact SeaDragon's market position, financial performance and share price. These risks include loss of key suppliers or customers, significant disruption to supply or distribution channels, seasonal variation in order patterns, changes to legislation, acquisition and investment risk, intellectual property risk, negative publicity, competitive activity, loss of key personnel, employee relations, interest rates, and general economic conditions.

Dilution

If you do not take up or you sell your full entitlement under this Offer, then you will not be able to subscribe for any of the New Shares that are attributable to your entitlement. As a result, your existing shareholding in SeaDragon will be diluted by the New Shares issued under the Offer.

TERMS OF THE OFFER

1. The Offer

The Offer is a pro-rata renounceable rights offer to Eligible Shareholders of the right to acquire one New Share. Eligible Shareholders will be granted 1 Right for every 1 Existing Share held on the Record Date. Entitlements will be scaled up to a minimum holding of 2,000 Rights ("**Minimum Entitlement**"). Subject to the Minimum Entitlement, any fractional Entitlements will be rounded up to the nearest Right.

The New Shares are of the same class as, and rank equally in all respects with, SEA's quoted Existing Shares. The New Shares will be quoted on the NZX Main Board following allotment.

The maximum number of New Shares being offered under the Offer is 4,513,618,718 (subject to rounding).

2. Issue Price

The Issue Price is \$0.0033 per Right – this represents a 17.5% discount to SeaDragon's closing share price of \$0.004 on 24 July 2018. The Issue Price must be paid in full (rounded up to the nearest whole cent) on application with a completed Entitlement and Acceptance Form delivered to the Registrar in accordance with the instructions set out in the Entitlement and Acceptance Form. SEA may (in its discretion) accept late applications and Application Monies, but has no obligation to do so. SEA may accept or reject (at its discretion) any Entitlement and Acceptance Form which it considers is not completed correctly, and may correct any errors or omissions on any Entitlement and Acceptance Form.

If an Eligible Shareholder fails to accept any New Shares and pay the associated Application Monies by 5:00pm on the Closing Date (28 September 2018), their Rights will lapse.

Application Monies received will be held in a trust account with the Registrar until the

corresponding New Shares are allotted or the Application Monies are refunded. Interest earned on the Application Monies will be for the benefit, and remain the property, of SEA and will be retained by SEA whether or not the issue and allotment of New Shares takes place. Any refunds of Application Monies will be made within 5 Business Days of allotment, or, if a decision is made not to proceed with the Offer, within 5 Business Days of the date of that decision.

3. Eligibility

The Offer is only open to Eligible Shareholders, being those Shareholders of SEA with registered addresses in New Zealand as at the Record Date, or other persons that SEA is satisfied can participate in the Offer in compliance with all applicable laws.

SEA 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 SEA to make the Offer in those jurisdictions. This decision was made having regard to the small number of Shareholders in the overseas jurisdictions; the likelihood of those Shareholders electing to participate in the Offer if offered to them; and the financial resources of SEA and the costs of complying with overseas legal requirements. However, the entitlements of all Shareholders who are not Eligible Shareholders under this Offer will be issued to a nominee ("**Nominee**") who will endeavour to sell those entitlements and the net proceeds less costs will be paid to those Shareholders – see "Shortfall Bookbuild" below.

4. Rights Trading

The Rights will trade under the code SEARC on the NZX Main Board from 28 August 2018 until 24 September 2018.

5. Opening and Closing Dates

The Offer will open for receipt of acceptances on 28 August 2018 (the “**Opening Date**”). The last day for receipt of the completed Letter of Acceptance and Entitlement with payment is 5:00pm, 28 September 2018 (the “**Closing Date**”), subject to SEA varying those dates in accordance with the Listing Rules.

6. Oversubscription Facility

Eligible Shareholders may apply for an additional number of New Shares in excess of their Entitlement pursuant to the Rights held.

If the applications for additional New Shares exceed the number of New Shares available (being those New Shares which have not been validly subscribed for by Rights holders by 5:00pm on the Closing Date) (“**Unsubscribed Shares**”), then such applications will be satisfied on a pro-rata basis (calculated on the relevant Rights holder’s entitlement to acquire New Shares) up to the total number of Unsubscribed Shares, or on such other basis as SEA may determine.

Applications for additional New Shares under this Oversubscription Facility will be accepted (in full or in part) or rejected at the Board’s discretion.

7. Shortfall Bookbuild

New Shares attributable to Unexercised Rights will be offered to Eligible Bookbuild Investors under the Shortfall Bookbuild. If you do not take up your Rights under the Rights Offer, or are not able to because you are not an Eligible Shareholder and your Entitlements have not otherwise been sold by the Nominee, the New Shares attributable to your Unexercised Rights will be offered for sale in the Shortfall Bookbuild.

The Shortfall Bookbuild is only open to Eligible Bookbuild Investors. SeaDragon will be managing the Shortfall Bookbuild, and the company does not intend to appoint a lead manager. The Shortfall Bookbuild will

be completed by 5:00pm on 2 October 2018.

SEA reserves the right to limit the allotment of New Shares to any person under the Shortfall Bookbuild for any reason, or to cancel the Shortfall Bookbuild at any time prior to allotment of New Shares.

Eligible Bookbuild Investors participating in the Shortfall Bookbuild will bid for the New Shares attributable to the Unexercised Rights. The minimum bid that an Eligible Bookbuild Investor may submit for New Shares under the Shortfall Bookbuild is the Issue Price of \$0.0033 per New Share and this amount is payable to SEA. If the Bookbuild Price exceeds the Issue Price, the excess (i.e. the premium, if any) will be paid to the holders of the relevant Unexercised Rights less transaction costs, provided that any premium amount (after deduction of transaction costs) less than \$10.00 will not be payable to the holders of Unexercised Rights and shall be retained by SEA.

The Bookbuild Price will be determined by the Board and is expected to be set at the highest price above (or equal to) the Issue Price that will clear the book of New Shares available under the Shortfall Bookbuild. The proceeds from each New Share issued under the Shortfall Bookbuild (if any) will be paid by the Registrar as follows:

- The Issue Price to SeaDragon; and
- Any premium achieved in excess of the Issue Price, less transaction costs, to the holders of the Unexercised Rights in proportion to their holdings of Unexercised Rights.

Example

This example assumes that there is a demand for all of the New Shares available under the Shortfall Bookbuild, that the Bookbuild Price exceeds the Issue Price and that there are transaction costs of 0.25% of the Bookbuild Price.

Per New Share Issue Price	\$0.0033
Bookbuild Price	\$0.004
Premium	\$0.0007
Transaction costs	\$0.00001

In this example, a Shareholder who holds 1,000,000 Existing Shares at 5.00pm on the Record Date and is either not an Eligible Shareholder (whose Rights were unable to be sold by the Nominee) or is an Eligible Shareholder but chooses not to take up or sell his or her Rights will have 1,000,000 Unexercised Rights.

That Shareholder would receive \$690.00 in aggregate for his or her Unexercised Rights in the Shortfall Bookbuild, being the Premium of \$0.0007 multiplied by the number of Unexercised Rights held by him or her, less transaction costs, i.e. $(1,000,000 \times \$0.0007) - (0.00001 \times 1,000,000) = \690.00 .

If the Bookbuild Price is equal to the Issue Price, there will be no premium payable to the holders of Unexercised Rights. Any premium amount (after deduction of transaction costs) which is less than \$10.00 shall not be payable to the holders of Unexercised Rights and shall be retained by SEA.

Bookbuild Allocation Policy

Allocation and any necessary scaling of applications under the Shortfall Bookbuild will be determined by the Board in its sole discretion. SeaDragon may limit the allotment of New Shares to any person, for any reason, including if that allotment may result, or be likely to result, in that person materially increasing their ability to exercise, or direct the exercise of, effective control of SEA (causing Listing Rule 7.5.1 to be triggered); when Listing Rule 9.2.1 would be triggered by such allotment; or where such allotment would breach the requirements of the Listing Rules generally or the requirements of the Takeovers Code. In determining allocations and any necessary scaling of applications under the Shortfall Bookbuild, the Board will take into consideration the shareholdings as at 5.00pm on the Record Date of the Eligible Bookbuild Investors participating in the Shortfall Bookbuild who are also Shareholders on the Record Date.

Participation

Eligible Bookbuild Investors who wish to participate in the Shortfall Bookbuild should contact SeaDragon or, if an Eligible Shareholder or other retail investor, their NZX Primary Market Participant, who will provide details as to the process to be undertaken.

Payment to Holders

The premium, if any, will be paid by the Registrar in New Zealand dollars to holders of Unexercised Rights as follows:

- In accordance with the direct credit payment instructions provided by the Shareholder to SEA for the purposes of SEA dividends; and
- otherwise, by cheque sent by ordinary post to their address as recorded in SEA's share register.

Direct credit payments are expected to be made, and cheques are expected to be sent, by 10 October 2018.

Any interest earned will be for the benefit, and remain the property, of SEA and will be retained by SEA.

Cancellation of Shortfall Bookbuild

SEA reserves the right to cancel the Shortfall Bookbuild at anytime prior to allotment of New Shares under the Shortfall Bookbuild.

Important Information

The ability to sell New Shares in the Shortfall Bookbuild and the price obtained for them are dependent on various factors, including market conditions. There is no guarantee that the Bookbuild Price will be greater than the Issue Price, or that the holders of Unexercised Rights will receive any value for those Rights.

SEA and its respective agents and affiliates will not be liable to any person for any failure to sell New Shares or to procure a premium under the Shortfall Bookbuild.

8. **Allotment and Issue of New Shares**

New Shares are expected to be allotted and issued on 5 October 2018. Transaction Statements confirming the allotment of your New Shares will be issued and mailed in accordance with the Listing Rules.

NZX Main Board is a licensed exchange operated by NZX, which is a licensed market operator under the Financial Markets Conduct Act 2013.

9. **Terms and Ranking of New Shares**

New Shares allotted under the Offer will be of the same class as, and ranking equally in all respects with, SEA's quoted Existing Shares at the time of allotment of the New Shares. Each New Share will give the holder the right to one vote on a resolution at a meeting of shareholders (subject to any restrictions in SEA's constitution or the Listing Rules), the rights to dividends authorised by the Board and the right to a proportionate share in any distribution of surplus assets of SEA on any liquidation.

10. **Rights**

If you are an Eligible Shareholder, you are not required to subscribe for all of the New Shares to which you are entitled under the Offer. You may subscribe for a proportion of such New Shares, sell or renounce your Entitlement or not take any action. See further details in the section "**Actions to be taken by Eligible Shareholders**".

11. **Stamping Fee**

A stamping fee of 2% will be payable in respect of applications for New Shares under the Offer which are accepted, bearing a valid stamp from an NZX Advisor of an NZX Participant Firm.

12. **NZX Main Board Quotation**

Application has been made to NZX for the Rights to be quoted on the NZX Main Board between the dates set out in the "Important Dates" section below and all of the requirements of NZX relating thereto that can be complied with on or before the date of this Offer Document have been duly complied with. However, NZX accepts no responsibility for any statement in this Offer Document.

ACTIONS TO BE TAKEN BY ELIGIBLE SHAREHOLDERS

Available Actions

If you are an Eligible Shareholder, accompanying this document is an Entitlement and Acceptance Form showing the number of Rights you have to subscribe for New Shares under the Offer. You may take one of the following actions in respect of your Rights:

- **accept all** or **part of** your Rights;
- **sell all** or **part of** your Rights;
- **accept part** of your Rights and **sell all or part of the** balance; or
- **do nothing** with **all** or **part** of your Rights.

If you are an Eligible Bookbuild Investor you may choose to participate in the Shortfall Bookbuild or do nothing. You cannot use the Entitlement and Acceptance Form to elect to participate in the Shortfall Bookbuild.

Important:

- If you do nothing with your Rights before the Closing Date, they will lapse and you will not be able to subscribe for any New Shares under the Offer or realise any other value for your Rights, except as provided for in relation to the Shortfall Bookbuild.
- You will receive nothing for your Unexercised Rights if the New Shares attributed to your Unexercised Rights fail to sell or are sold for no more than the Issue Price under the Shortfall Bookbuild.
- The Offer is pro-rata. If you take up all of your Rights your percentage shareholding in SEA will not reduce but if you do not take up all your Rights, your percentage shareholding will reduce following completion of the Offer. For example, if you hold 500,000,000 Shares on the Record Date, you will have 500,000,000 Rights. If you decide not to take up any of your Rights, and all other shareholders do take up their Rights, your percentage interest in SEA will reduce by one-half from approximately 0.11% to approximately 0.055%.

Accepting Your Entitlement

Eligible Shareholders who wish to accept all or part of their Rights should return their completed Entitlement and Acceptance Form and deliver it to the Registrar, along with payment of the Issue Price in full by no later than the Closing Date in accordance with the instructions set out in the Entitlement and Acceptance Form.

The minimum number of New Shares which you must subscribe for under the Offer is 2,000. Applicants will not be treated as having offered to purchase a greater number of New Shares other than the number for which payment is made.

Selling Your Entitlement

The Rights are renounceable. This enables Eligible Shareholders who do not wish to accept all or part of their Entitlement to sell those Rights not accepted.

If you wish to sell all or part of your Rights, this can be effected on the NZX Main Board by instructing an NZX Primary Market Participant to sell all or part of the number of Rights specified in the Entitlement and Acceptance Form. You will need to provide your Authorisation Code (FIN) and your Common Shareholder Number (CSN) to the NZX Primary Market Participant who you wish to sell your Rights through. You will be required to pay brokerage in respect of that sale.

Trading of Rights will commence on the NZX Main Board under the code SEARC on 28 August 2018 and will cease at 5:00pm on 24 September 2018. Your Rights may be sold on the NZX Main Board between these dates, should you choose not to accept your full Entitlement. If you wish to sell your Rights using this method, you must do so before close of trading on the NZX Main Board. Renunciations must be lodged with the Registrar, Link Market Services (“**Link**”), not later than the Closing Date, 5:00pm, 28 September 2018. Link’s details for the return of your Entitlement and Acceptance

Form are enclosed with the Entitlement and Acceptance Form.

Accepting Part of Your Entitlement and Selling the Balance

The minimum number of New Shares which you must subscribe for under the Offer is 2,000. If you wish to accept part of your Rights and sell the balance, you should:

- instruct an NZX Primary Market Participant to sell the number of Rights you wish to renounce; and
- indicate the number of New Shares you wish to accept in the Entitlement and Acceptance Form and send your completed Entitlement and Acceptance Form, together with the Application Monies for the number of New Shares applied for, directly to the NZX Primary Market Participant through whom you sold your Rights.

If SEA receives, on or before the Closing Date (5:00pm, 28 September 2018) both an acceptance and a renunciation by an Eligible Shareholder in respect of the same Rights, effect will be given to the renunciation in priority to the acceptance.

Payment instructions

Payment instructions are provided in the Instructions on the Entitlement and Acceptance Form. Payment can only be made by Direct Debit, Cheque or Bank Draft. Please choose only one payment option.

Option 1:

If you choose the direct debit option you must tick the box authorising the Registrar to direct debit the bank account nominated on the Entitlement and Acceptance Form, on the day the Entitlement and Acceptance Form is received by the Registrar, for the amount applied for on the Entitlement and Acceptance Form. The bank account must be with a New Zealand registered bank. You cannot specify a direct debit date and you must ensure that:

- the bank account details supplied are correct;
- the application funds in the bank account for direct debit are available on the day

the Registrar receives the Entitlement and Acceptance Form;

- the person(s) giving the direct debit instruction has/have the authority to operate the account solely/jointly; and
- the bank account you nominated is a transactional account eligible for direct debit transactions. If you are uncertain you should contact your bank.

You must sign the Entitlement and Acceptance Form as this is required as authorisation by the banks for Link to process the direct debit. Should your direct debit fail, your Acceptance will be rejected. If requested, a direct debit authority form will be provided to you by the Registrar. Refer to the contact details on the Entitlement and Acceptance Form.

Option 2:

By bank draft in New Zealand dollars or a cheque drawn from a New Zealand registered bank and made out in New Zealand dollars. Cheques must be made payable to "SeaDragon Rights Offer" crossed "Not Transferable" and must not be post-dated as cheques will be banked on day of receipt. If your cheque is dishonoured SEA may cancel your allotment of Shares and pursue any other remedies available to it at law.

Enquiries

If you have any queries about the number of Rights shown on the Entitlement and Acceptance Form which accompanies this Offer Document, or how to complete the Entitlement and Acceptance Form, please contact the Registrar at:

Link Market Services Limited
Level 11, Deloitte Centre
80 Queen Street
Auckland 1010
PO Box 91976
Auckland 1142

Telephone: +64 9 375 5998

Fax: +64 9 375 5990

Email:

applications@linkmarketservices.co.nz

GLOSSARY

“**Applicant**” means an investor whose application for New Shares has been received by the Registrar prior to the Closing Date.

“**Application Monies**” means money received by SEA from Eligible Shareholders who have applied for New Shares under the Offer.

“**Board**” means the board of directors of SEA.

“**Bookbuild Price**” means the proceeds from the issue of New Shares under the Shortfall Bookbuild on a per Share basis.

“**Business Day**” has the meaning given to that term in the Listing Rules.

“**Closing Date**” means 5:00pm, 28 September 2018.

“**Eligible Bookbuild Investors**” means persons who:

- (a) If resident in New Zealand:
 - (i) are persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; and/or
 - (ii) apply to participate in the Shortfall Bookbuild through a NZX Primary Market Participant.
- (b) If resident outside of New Zealand are persons to whom an offer of New Shares can be made under all applicable laws, without the need for any registration, lodgement or similar formality.

“**Eligible Shareholders**” means Shareholders of SEA with registered addresses in New Zealand as at the Record Date and other Shareholders that SEA is satisfied can participate in the Offer in compliance with all applicable laws.

“**Entitlement**” means the number of Rights to which Eligible Shareholders are entitled.

“**Entitlement and Acceptance Form**” means the personalised entitlement and acceptance form enclosed in this Offer Document for Eligible Shareholders.

“**Existing Shares**” means a fully paid ordinary share in SEA on issue on the Record Date.

“**Issue Price**” means \$0.0033 per New Share.

“**Listing Rules**” means the listing rules of the NZX Main Board, as amended from time to time and for so long as SEA is listed by NZX.

“**Minimum Entitlement**” means a minimum aggregate holding of 2,000 Rights.

“**New Share**” means a new Share offered under the Offer of the same class as, and ranking equally in all respects with, SEA’s quoted Existing Shares at the time of allotment of the New Shares.

“**NZX**” means the NZX Limited.

“**NZX Main Board**” means the main board equity security market operated by NZX.

“NZX Primary Market Participant” means any company, firm, organisation, or corporation designated or approved by as a Primary Market Participant from time to time by NZX.

“Offer” means the offer to acquire New Shares and the Shortfall Bookbuild.

“Offer Document” means this document dated 28 August 2018.

“Opening Date” means 28 August 2018.

“Oversubscription Facility” means the facility that enables an Eligible Shareholder who accepts their Rights in full to apply for additional New Shares at the Issue Price (details of which are set out in the “Terms of the Offer” section of this Offer Document).

“Record Date” means 5:00pm, 29 August 2018.

“Registrar” means Link Market Services Limited.

“Right” means the renounceable right of each Eligible Shareholder under the Offer.

“SEA” means SeaDragon Limited (New Zealand Business Number 9429039717122).

“Share” means one ordinary fully paid share in SEA.

“Shareholder” means a registered holder of Shares on issue.

“Shortfall Bookbuild” means a shortfall bookbuild of New Shares attributable to Unexercised Rights.

“Unexercised Rights” means any New Shares attributable to Rights not taken up by the Closing Date, including those of shareholders who are not Eligible Shareholders.

“Unsubscribed Shares” means those New Shares which have not been validly subscribed for by Rights holders by the Closing Date.

NOTE:

- All references to time are to New Zealand time.
- All references to currency are to New Zealand dollars.
- All references to legislation are references to New Zealand legislation unless stated or defined otherwise.

DIRECTORY

Enquiries	Enquiries about this Offer should be directed to an NZX Firm or your financial or legal adviser.
Registered Office	12 Nayland Road, Stoke Nelson 7011 New Zealand
Directors	Colin Groves (Independent Chairman) Richard Alderton (Independent Director) Stuart Macintosh (Director) Matthew McNamara (Director (with Jeremy Curnock Cook as his alternate)) Mark Stewart (Director (with Warwick Webb as his alternate)) Mark Sadd (Director)
The Share Registrar	Link Market Services Limited Level 11, Deloitte Centre 80 Queen Street Auckland 1010 New Zealand PO Box 91976 Auckland 1142 New Zealand Telephone: +64 9 375 5998 Fax: +64 9 375 5990 Email: applications@linkmarketservices.co.nz
Solicitors	MinterEllisonRuddWatts Level 20, Lumley Centre 88 Shortland Street Auckland 1010 Telephone: +64 9 353 9700 Fax: +64 9 353 9701