

NZX / MEDIA RELEASE

6 July 2018

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: Loan notes (**Notes**)
ISIN: Not applicable
- (b) Number issued: 1,750,000
- (c) Issue price: \$1,750,000
- (d) Payment in cash: Yes
- (e) Amount paid up: In full
- (f) Principal terms of the Securities:
Conversion price: Subject to shareholder approval, the loan notes are convertible into ordinary shares at \$0.0033 per share.
Conversion date: Subject to shareholder approval, the loan notes will automatically convert (unless the Company is in default) upon maturity at 5:00pm on 31 March 2020 or earlier at the option of the relevant holder of the loan notes.
- (g) Percentage of total Class of Securities issued: The Notes issued comprise 36.84% of the total issued Securities of that Class.
- (h) Reason for issue: To repay a \$1,000,000 bridge loan and to assist the Company with its immediate and medium term funding requirements, as announced by the Company on 14 June 2018.
- (i) Authority for the issue: Board resolution.
- (j) Terms of the issue:
- Each of (1) Pescado Holdings Limited (**Pescado**) and (2) One Funds Management Limited as trustee for Asia Pacific Healthcare Fund II (**OFM**) and BioScience Managers Ventures Pty Ltd as general partner of BioScience Management Partnership LP (**BMV**) (OFM and BMV together, **BioScience**) have made available to the Company a loan facility of up to \$875,000 (total aggregate of \$1,750,000) by way of loan notes.
 - Subject to shareholder approval, the loan notes will become convertible into ordinary shares in the Company at a conversion price per share of \$0.0033 and the loan facility with each of Pescado and BioScience shall increase from a maximum of \$875,000 to \$3,000,000 (total aggregate of \$6,000,000). The first \$1,000,000 of the BioScience loan facility will be provided by OFM and the subsequently \$2,000,000 will be provided by BMV.

- Interest will accrue on outstanding notes at 12% per annum, which interest will reduce to 7.95% following shareholder approvals to the conversion to equity.
- The notes mature at 5:00pm on 31 March 2020 at which time they will, subject to shareholder approval being obtained, automatically convert into ordinary shares in the Company. Subject to shareholder approval being obtained, each of Pescado and BioScience also have the option to convert their notes at any time by notice to the Company.
- If shareholder approval is not obtained by 15 August 2018, each of Pescado and BioScience may by notice require the Company to repay all amounts in respect of the notes held by them.
- All indebtedness of the Company to each of Pescado and BioScience (including the Notes) is, subject to shareholder approval, to be secured by a security interest in all of the Company and its subsidiaries assets, shared with Comvita.

(k) Total number of securities of the class in existence after the issue: 4,750,000.

(l) Treasury stock: Not applicable

(m) Date of issue: 6 July 2018

For further information contact:

Colin Groves

Chairman

Tel: +64 21 928 003

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.