



Annual Shareholders Meeting

Orams Captain's Lounge
Auckland
17 September 2015, 2:00pm

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The information contained in this presentation should be considered in conjunction with SeaDragon's latest financial statements and other market announcements, which are available at: <http://www.seadragon.co.nz/#investor>

All currency amounts are in New Zealand dollars unless stated otherwise.



Chairman - Colin Groves

Directors

- Colin Groves - Independent Chairman
- Patrick Geals - Independent Director
- Matthew McNamara - Non-executive Director
- Stuart Macintosh - Non-executive Director
- Richard Alderton – Executive Director, Interim CEO

Board changes during the year

- Resignations

- Doug Wilson - Chairman (May 2015)
- Sean Joyce - Independent Director (June 2015)

- Retiring at today's AGM

- Tim Preston - Independent Director
- Ross Keeley - Executive Director
- Jeremy Curnock Cook – Non-executive Director

Agenda

- Chairman's address
- Chief Executive's address
- Capital raising
- Questions arising from financial statements and presentation
- Resolutions
- General business
- Meeting close

On the threshold of realising strategic goals

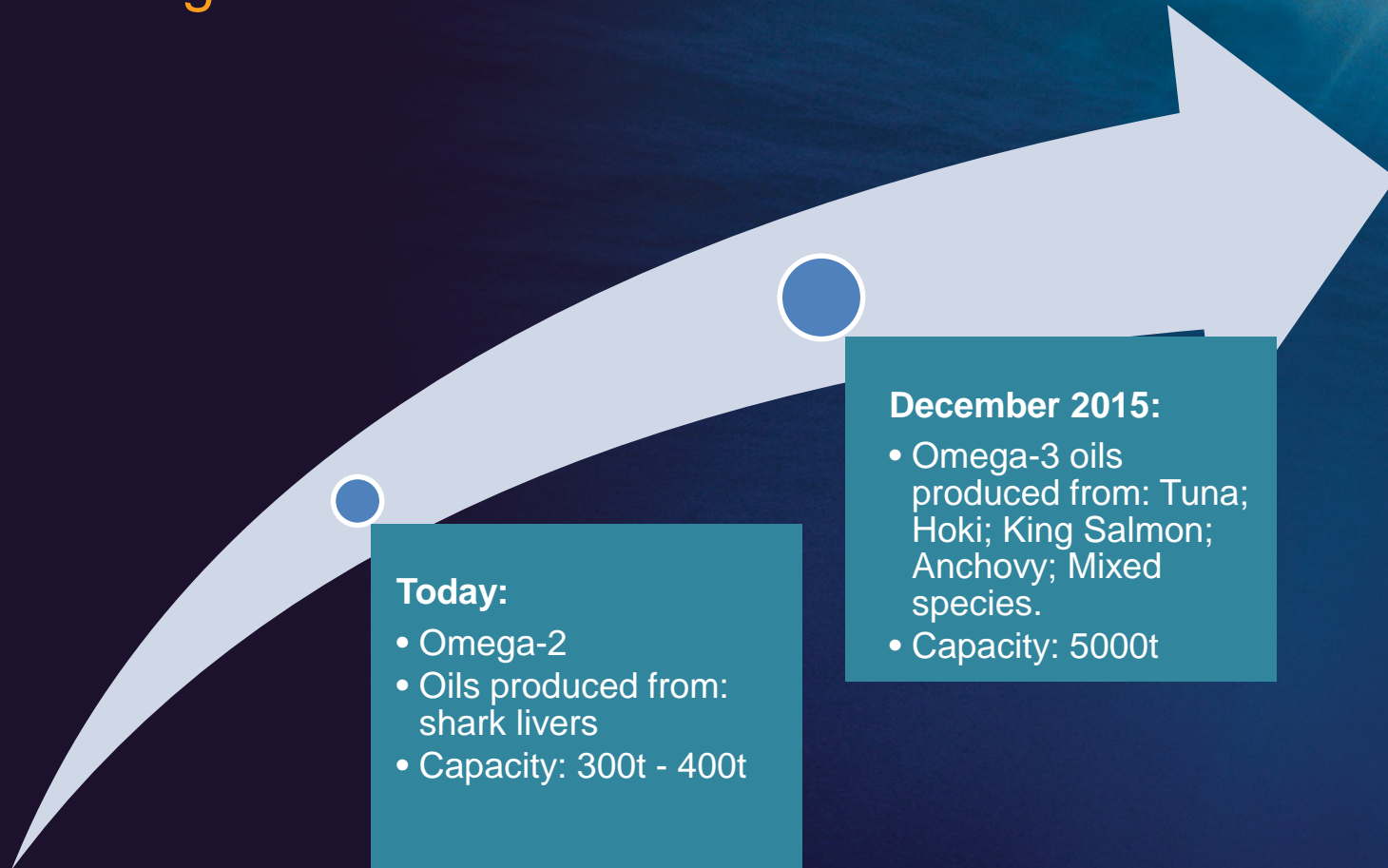
Vision

To be recognised by consumers as the global leader in the production of sustainably harvested fish oils for use in supporting healthy lifestyles.

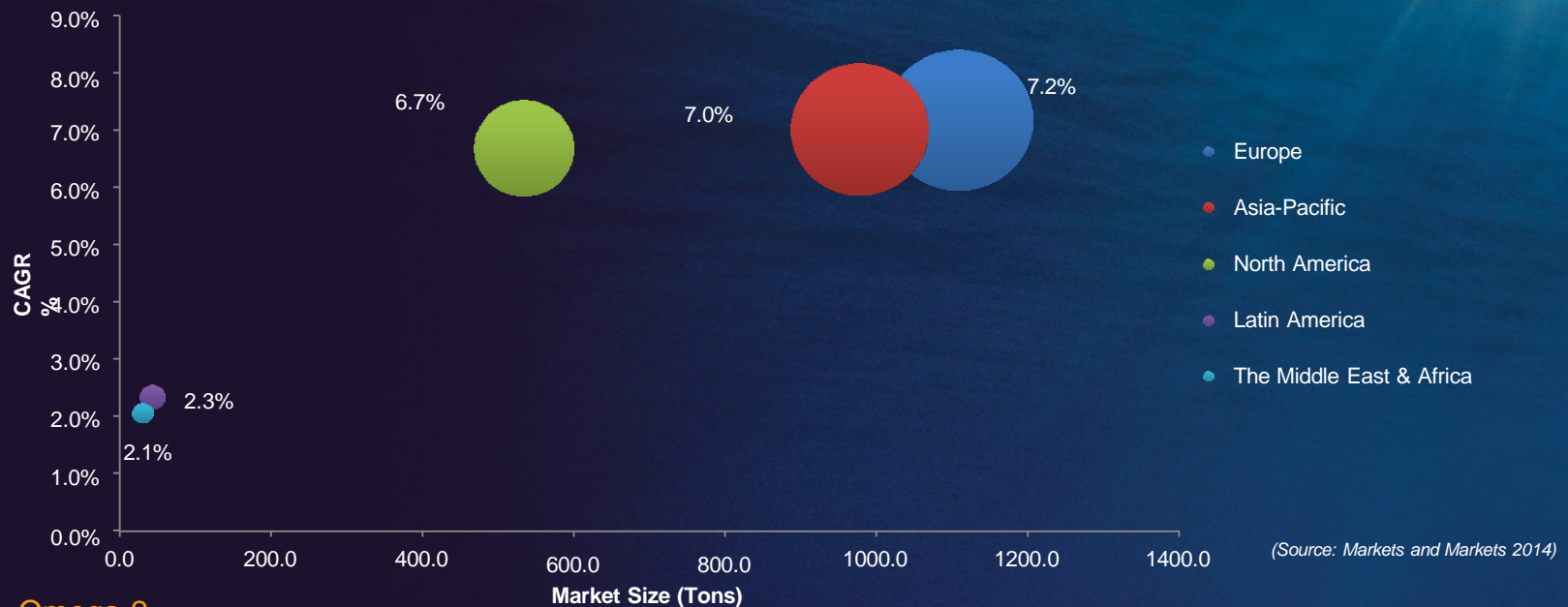
SeaDragon today

- SeaDragon believes it is one of the largest producers and exporters of Omega-2 (also known as Squalene) and soon to be Omega-3 in Australasia.
- Supplying the nutraceutical industry locally and internationally for 20 years
- The company has a rare opportunity to capitalise on being one of the few large-scale food grade Omega-3 fish oil producers in Australasia and SE Asia.
- SeaDragon is seeking to raise approximately NZ\$7.5m via a renounceable rights offer to complete a new Omega-3 plant, add a fractionation facility to that plant and fund additional working capital.

SeaDragon's transition



Omega-2 demand robust



Omega-2

- The global Omega-2 market is anticipated to be worth approximately US\$177 million by 2019 (at a compound annual growth rate of 10.3%).
- The cosmetic and pharmaceutical markets are the two largest sectors in the Omega-2 market with expected compound average growth rate (CAGR) of approximately 7.0% and 7.2% respectively between 2014 and 2019

Omega-3 has FDA qualified health claim status

Omega-3

- Omega-3 fatty acids are a group of long chain polyunsaturated fatty acids (PUFAs). The two key acids within the Omega-3 group are:
- Eicosapentaenoic acid (EPA)
- Docosahexaenoic acid (DHA)
- Omega-3 is sourced primarily from fish.

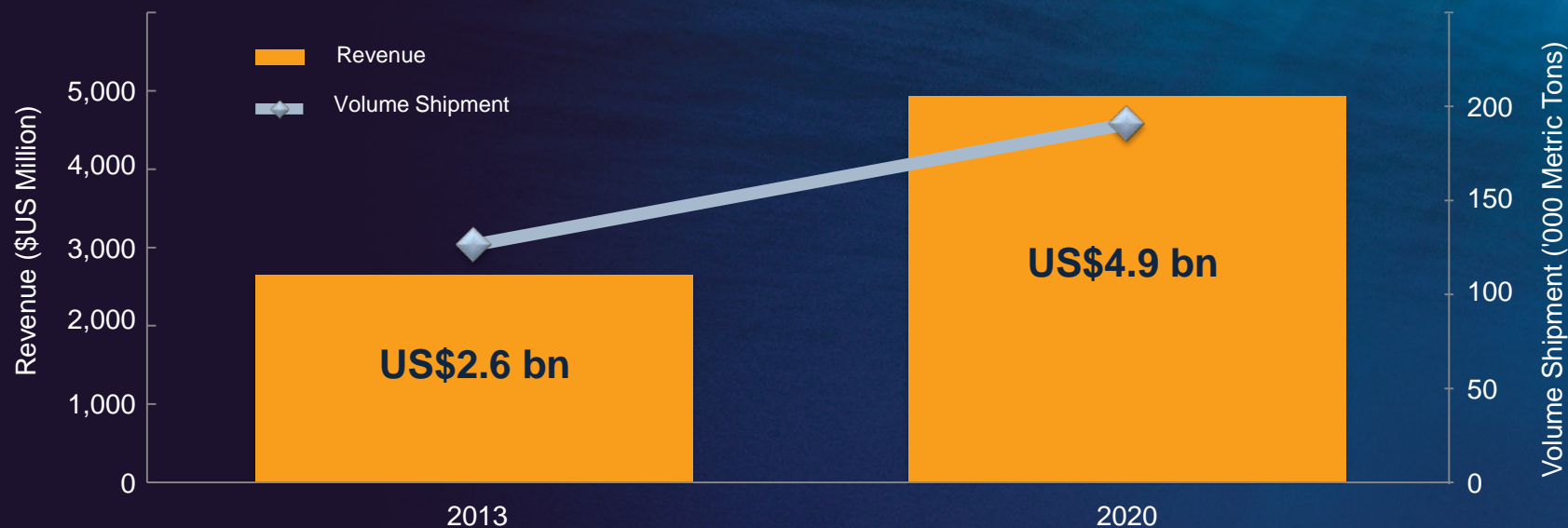
Health benefits

- In 2004, the U.S. Food and Drug Administration (FDA) gave "qualified health claim" status to Omega-3 fatty acids, stating, "... consumption of Omega-3 fatty acids may reduce the risk of coronary heart disease."
- As many as 3,000 articles annually in peer reviewed journals related to Omega-3.

The research into Omega-3 is vast and compelling!

Omega-3 market growing

Total Omega-3 PUFA* Ingredients Market—Revenue and Volume Shipment

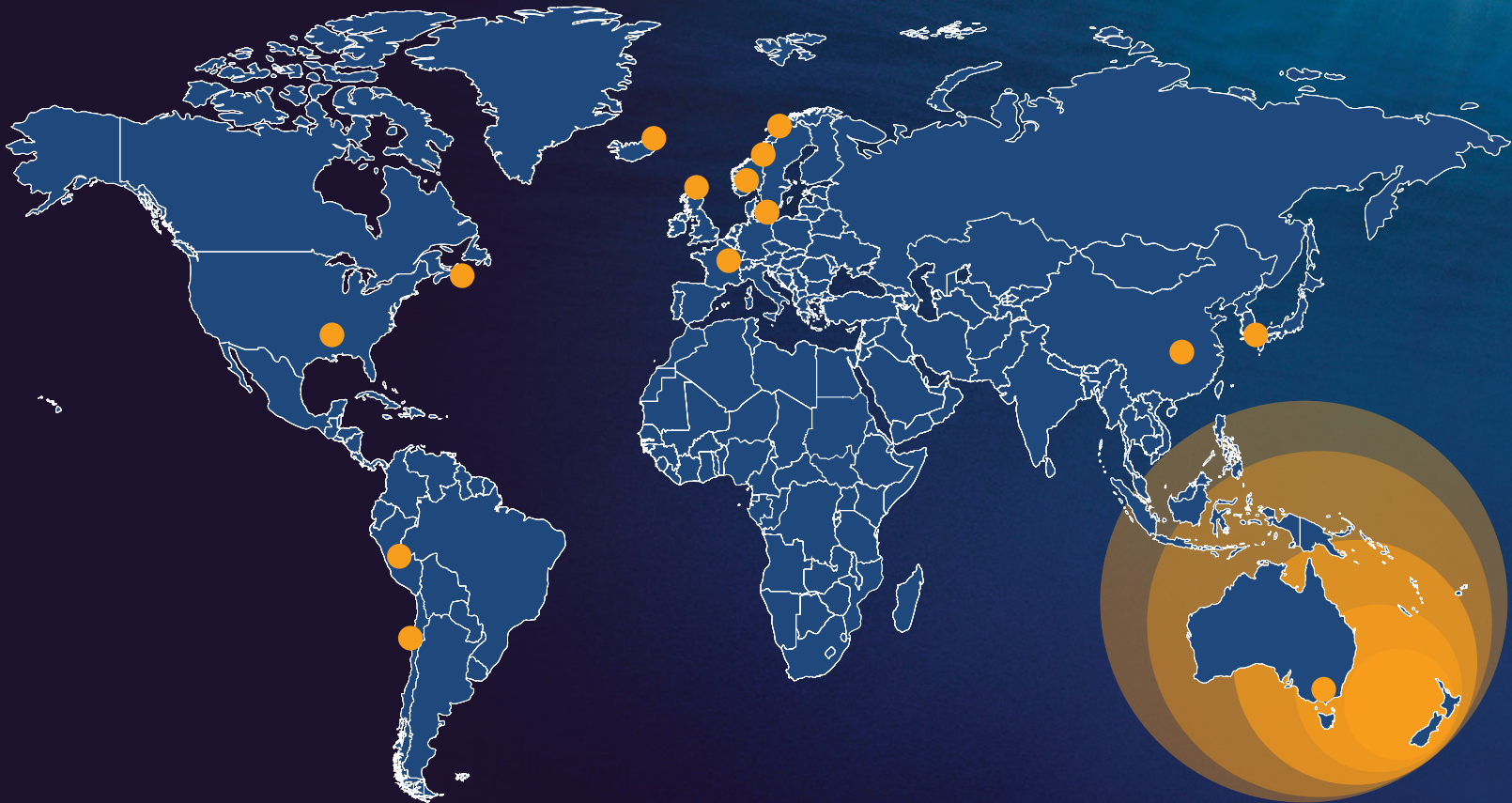


Total Omega-3 PUFA Ingredients Market: Volume Shipment and Revenue Forecast, Global, 2013-2020
Revenue CAGR = 9.3%; Volume Shipment CAGR = 6.1%

*Polyunsaturated Fatty Acids

Note: All figures are rounded. The base year is 2013. Source: Frost & Sullivan

Limited Omega-3 competitors in the Asia Pacific



SeaDragon's unique proposition

- “Product of New Zealand” is synonymous with clean, pure, fresh and cool deep blue oceans.
- Proximity to supply and the market (“freshness” and time to supply)
- A premium Omega-3 product :
 - Sustainably sourced New Zealand and South Pacific fish
 - Clear declaration of fish species used
 - Sustainable, traceable and fresh product
 - A robust and trusted food safety regime
- SeaDragon can leverage its reputation and strong customer relationships





Interim Chief Executive - Richard Alderton

SeaDragon's new Omega-3 refinery

- Building on track to be completed in calendar Q4 2015.
- Commissioning and stress testing expected during calendar Q4 2015
- First sales production expected at the end of calendar Q4 2015 (approximately 37t of finished product by end of December 2015).



SeaDragon's Omega-3 refinery

- At 80 % plant capacity* the Omega-3 facility could:
 - Produce wholesale sales valued at \$30m (based on current estimate of mix of sales)
 - Generate approx. \$10m per annum of gross margin (c.33% gross margin)
 - Expected return on investment remains strong
- The new site and plant has been “future proofed”:
 - Flexibility for the existing Omega-2 plant to be relocated to the new site
 - Plant designed for the fractionation plant to be “bolted on”
 - Capacity for encapsulation (if required).

*Being 4,000t p/a of Omega-3 oil production



SeaDragon Interim Chief Executive Richard Alderton

Building supply relationships

Product	Use	
Hoki	Omega-3	Sourced from up to three suppliers in NZ in May, June and July (consistent with the NZ fishing season).
Mixed species	Omega-3	Sourced from up to four suppliers in NZ and surrounding waters and available all year round and shipped upon order to arrive within 30 days.
Tuna	Omega-3	Sourced from up to three suppliers in Fiji, the Philippines and American Samoa. Available all year round and shipped upon order to arrive within 30 days.
Anchovy	Omega-3	Available from up to five suppliers in Peru. It is seasonal and is shipped within 60 days of ordering. The stock takes 45 days to ship to NZ.
Salmon	Omega-3	Sourced from up to three suppliers in NZ year-round and priced in NZ\$. Arrives within seven days of ordering.
Omega-2 raw materials	Omega-2	Raw materials sourced from both West African and Indonesian suppliers. Stock from Indonesia takes 60 days to ship to NZ. Product from West Africa can take up to 90 days to arrive.

Omega-3 plant forecast to lift financial performance

SeaDragon Group Estimated Profit & Loss (12 Months to March 31) NZ\$000s			
	FY14A	FY15A	FY16F
Omega-2			
Sales	3,058	6,322	10,112
Gross Profit	798	507	4,421
Gross Profit (%)	26%	8%	44%
Total Omega-2 Volume			228
Omega-3			
Sales	-	-	2,186
Gross Profit	-	-	774
Gross Profit (%)			35%
Total Omega-3 Volume (t)	-	-	282
Non-recurring items	(1,483)	198	-
Overheads	1,944	2,890	5,051
Total EBITDA	(2,629)	(2,185)	144
Profit/(loss)	(3,219)	(2,838)	n/a

- FY 2015 results include: non-cash write down on alkoxyglycerol inventory; supply issues impacting gross margin and investment in people and capability, partially offset by improving Omega sales.
- The company recorded a loss for the year of \$2.8 million against a net profit of \$431,000 in the prior year.
- FY 2016 assumptions include: \$7.5m capital raising (including \$2.5 million from One Funds Management); extended working capital facilities; completion of Omega-3 facility in Q4 2015.

Capital raising strengthens balance sheet

SeaDragon Group Estimated Balance Sheet (as at 31 March) NZ\$000s			
	FY14A	FY15A	FY16F
Total current assets	8,254	5,396	6,666
Total net fixed assets	3,915	6,641	13,625
Total current liabilities	(1,393)	(4,099)	(7,000)
Capital	25,719	25,719	32,344
Reserves	98	98	98
Retained earnings	(15,041)	(17,879)	(19,151)
Total capital	10,776	7,938	13,291

- Balance sheet is strengthened by the capital raising with investment in fixed assets
- Fixed assets - the Omega-3 plant and the new fractionation plant – dominate the balance sheet.



Chairman - Colin Groves

Capital raising

- 3 for 5 pro rata Rights Offer at \$0.008 per share
 - Rights are now trading on the NZX under the code SEARA
- Offer to raise up to \$9.09 million
 - \$2.5 million committed via a convertible note issued to 21.8% shareholder BioScience Managers (One Funds Management Limited)
 - Mersea Holdings (42.3% shareholder) exercising rights to subscribe for \$100,000 of new shares and options
 - Chair, CEO, CFO subscribing for up to \$300,000 of shares and options
 - Oversubscription facility for all shareholders
- One option with each new share subscribed
 - Exercise price of 0.015 at any time prior to 29 September 2018
- Book Build (auction) process for unexercised rights after completion of the offer

Use of Proceeds

Cash outflows		Description
Completion of Omega-3 plant	\$3.5m	Completion and commissioning of the refined fish oil (Omega-3) plant
Completion of Omega-3 fractionation plant and Omega-2 upgrade	\$3m	Fractionation plant for the Omega-3 facility, plus a new “Myer” machine for the Omega-2 facility. This will provide additional capacity for the Omega-2 plant
Working capital and costs	\$1m	Funding increased activity levels relating to the new Omega-3 product lines and costs associated with the capital raise
Total	\$7.5m	

Timetable

Rights trading ends	21 September 2015
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Offer closes	25 September 2015
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Book Build closes	29 September 2015
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Shares allotted	2 October 2015
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Common questions

- **Question:** How can the Board and management be confident that the capital raising will be sufficient to complete the plant and meet the company's funding needs ?
- **Answer:** The plant is almost complete so the costs are predictable.
- **Question:** What happens if we do not meet the minimum \$5 million capital raising threshold?
- **Answer:** We are confident that a minimum of \$5 million will be raised via the Rights Offer and Shortfall Bookbuild. But in the worst case SeaDragon will delay the upgrade of the existing Omega-2 facilities and the planned fractionation plant for the Omega-3 facilities.
- **Question:** Are you confident you can secure supplies for the Omega-3 factory and will it produce the fish oils you are seeking?
- **Answer:** We are doing all we can to mitigate these risks and we are confident these issues will be resolved.

Summary highlights

- SeaDragon believes it is Australasia's largest producer and exporter of Omega-2 and has over 20 years of industry expertise and knowledge
- High growth industry fundamentals, with sales of Omega-3 products in the Asia Pacific region forecast to grow rapidly
- Omega-3 is one of the most researched compounds on earth, and the evidence of potential health benefits continues to grow as does demand
- Strong barriers to entry due to the specialist knowledge required, capital investment cost and ability to access sustainably sourced oils, giving SeaDragon a competitive advantage
- SeaDragon's geographic location provides a competitive location: Close to source of supply proximity to customers
- Soon to be completed state-of-the-art Omega-3 plant will have the capacity to process 5,000t of Omega-3 fish oil per annum
- Strong brand leveraging New Zealand's clean, green and sustainable image
- Access to raw materials sourced from sustainable stocks (MSC certified), including New Zealand and South Pacific fishery stocks
- Strong customer relationships with demand historically outstripping supply
- Motivated and internationally experienced Management and Board of Directors
- Positive EBITDA is forecast in FY16

Q & A