



Ocean Grown
Abalone



Ocean Grown Abalone Investor Presentation

December 2017

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Overview



Introduction: Ocean Grown Abalone

Though an innovative abalone “ranching” model, OGA can produce a high quality, sustainable product to meet growing demand

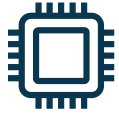
Costs of land-based abalone aquaculture is high: high power, feed and infrastructure costs and limited availability of land; no new developments for a number of years. **Wild catch quotas in decline.**

Global demand for Greenlip abalone is strong with high prices around US\$39.5/kg being achieved for whole abalone, ~7% increase in 6 months from production commencing.



OGA has a world-first method of **ranch producing abalone** which delivers a **premium product** in a **sustainable, environmentally friendly way**, at a lower cost than land-based methods.

Investment proposition



Innovative technology: OGA has developed the world's first 'ranching' method of greenlip abalone production with high margins and high barriers to entry.



Established business model: Commercial production and revenue from Augusta ranch commenced November 2016.



Clean, green & sustainable: Grown in natural habitat with a low/positive environmental footprint as certified by third-party experts.



High-calibre management : Led by industry executives and Board members who have experience in growing businesses



Growth inflection point has arrived: Model is now being deployed at other locations which provides strategic growth; diversification of risk.



Blue sky potential: Ongoing expansion at current sites, entering new states in Australia and deployment overseas all feature in further growth strategy.



Positive supply demand fundamentals: Growth driven by emerging Asian middle class who view abalone as a premium delicacy, with declining wild catch quotas limiting supply

OGA at a critical inflection point: poised for rapid growth



The Adams family have been diving for abalone in Augusta since the 1960's. With the wild catch population dwindling, Brad turned his attention to the concept of "ocean ranching".



"Ocean ranching" concept proven over the last 12 years through approximately A\$18M of funding into research, and then commercial development



With the commercial proposition now validated through regular sales to China, the strategy is to expand to multiple sites to leverage off the work of the last decade.



High-value industry: Greenlip abalone a sought-after delicacy, especially in Asian markets, with growing demand.



Premium product: OGA's quality allows it to compete with wild-catch product. OGA can grow a higher quality abalone at a cheaper cost than current land-based farms.



Immediate avenues for growth underway with expansion of current site in Augusta and testing new sites at Wylie Bay (Esperance) and Port Lincoln (South Australia).

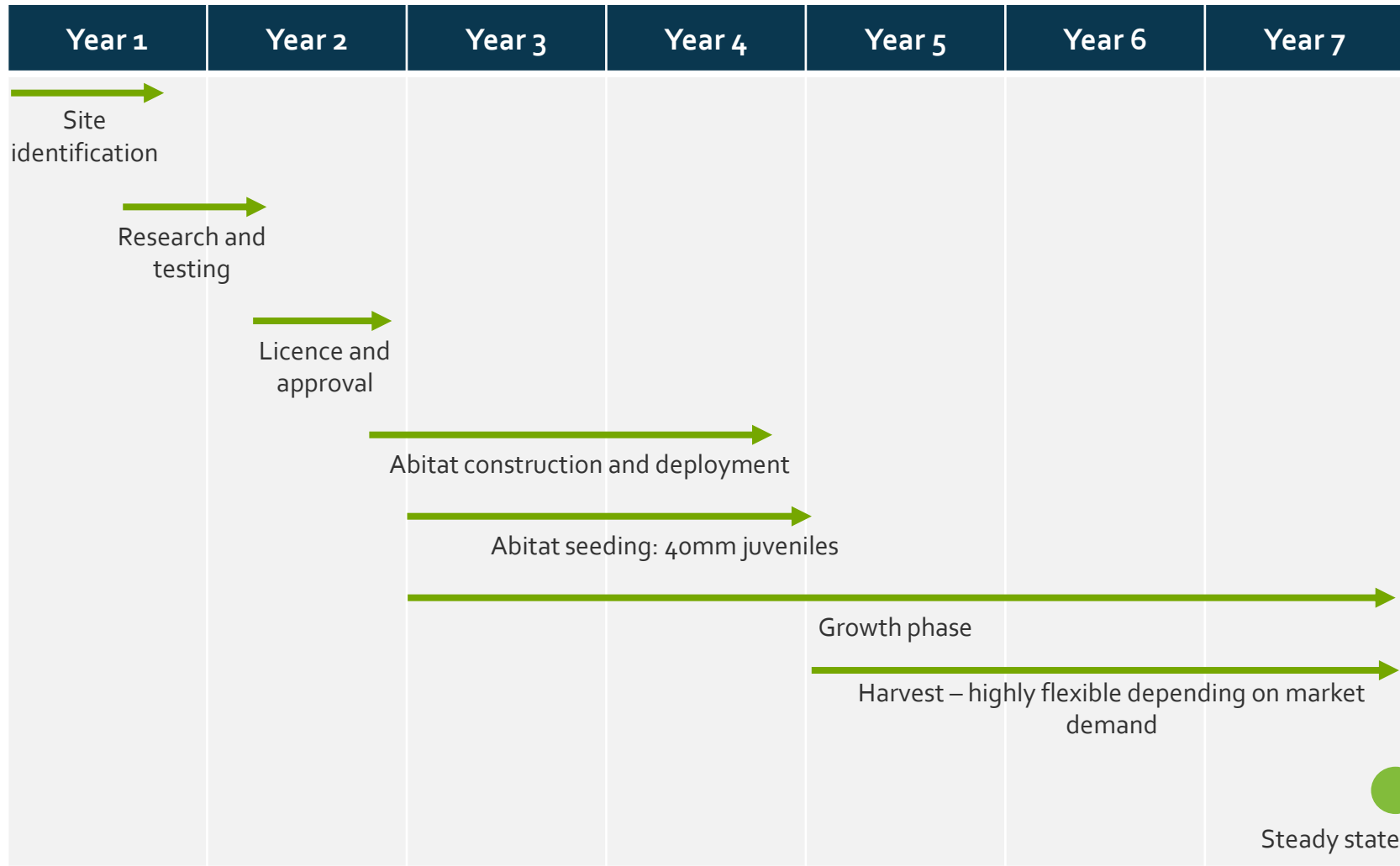


Further afield, growth opportunities exist in Victoria, Tasmania, New Zealand and Mexico.

An underwater photograph showing a fish swimming near a rocky seabed with green seaweed. A semi-transparent white box is overlaid on the left side of the image, containing the text 'The Business'.

The Business

The OGA process



Revenue model



A typical 5,000 abitat should produce approximately 100 tonne of abalone at steady state. Useful life of an abitat is estimated to be 100 years.



Whole Greenlip abalone are currently selling at A\$50/kg.



Abalone can be sold locally and overseas in several forms including live, meat, canned, dried or frozen. Live can bring a premium hence investment in processing.



When a ranch reaches steady state, costs are largely fixed, meaning significant leverage to higher abalone prices.

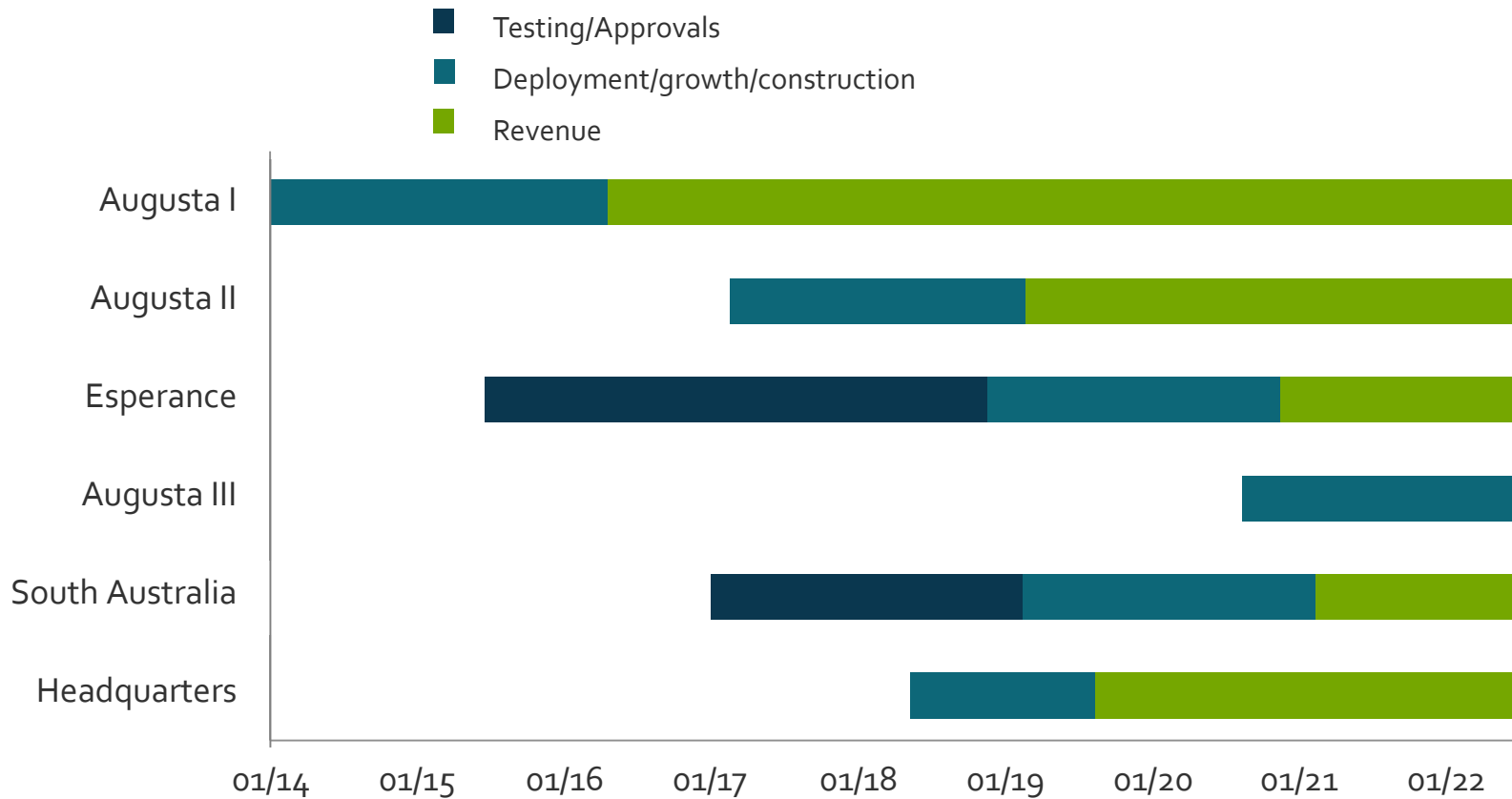


OGA plan to market its abalone as a premium product - "Baby Wild".



Other revenue opportunities include ranch tours, celebrity chef events and the sale of other abalone products such as shell jewelry.

Ranch expansion timetable



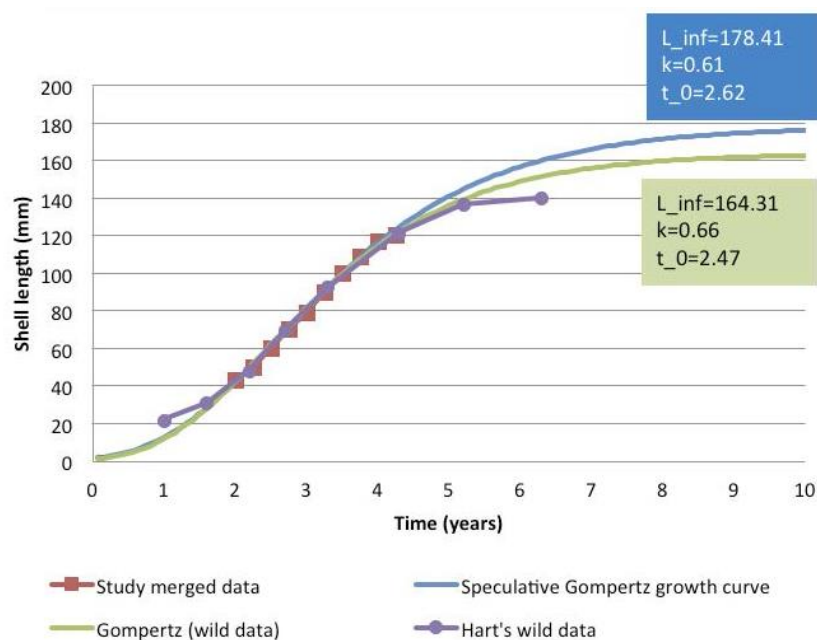
Growth & Production



2017 / 2018 Production Update

- ✓ FY2018YTD (15/12/17) abalone harvest of 21.1T :
 - Abalone up to 140mm & 400g being harvested from 3 year old reefs;
 - Includes thinning of younger 2 year old stock. Average 100mm & 140g
- ✓ Harvesting rates are expected to slow down over December 2017 and January 2018 due to seasonal weather conditions, before resuming normal rates in February.

Abalone Growth Rates



LENGTH (mm)	WEIGHT (g)
40	10
50	19
60	33
70	53
80	75
90	100
95	130
100	160
105	180
110	205
115	235
120	280
125	330
130	370

Typical weights at various lengths.

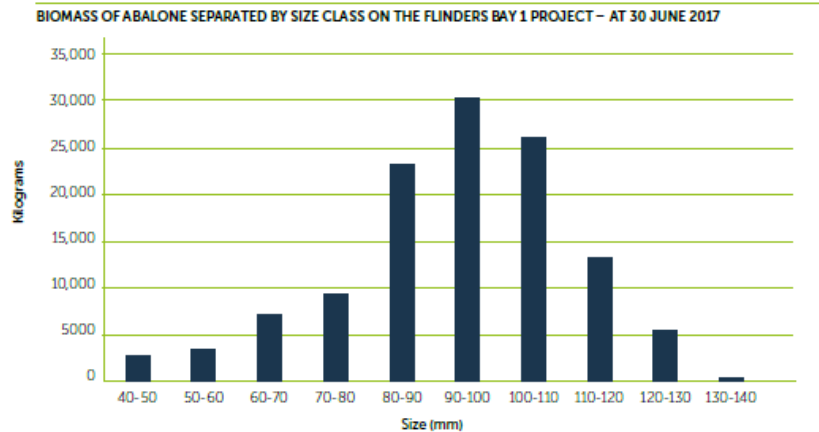
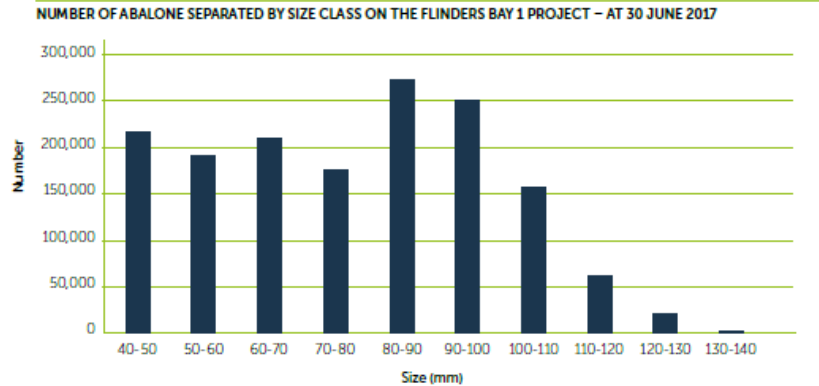
Speculative Gompertz growth curve created using growth data for the three size classes in the *H. laevis* sea ranching trial at Flinders Bay, Augusta, Western Australia merged by length and compared to wild enhancement raw data Hart et al. and fitted curves

Source: Fisheries Research & Development Corporation, Curtin University of Technology, Ocean Grown Abalone. 2013

TIME	# Abs/ ABITAT	Average Length (mm)	Average Weight (g)	Biomass (kg) / ABITAT	Biomass (kg) / 5000 ABITATS
Day 1	120	40	10	1.2	6,000
Day 30	84	40	10	0.84	4,200
Day 365	75	75	66	4.95	24,750
Day 730	67	105	180	12	60,000
Day 1095	60	125	333	20	100,000

Ocean Grown Abalone Biomass model

June 2017 Stock Assessment Report



OGA is currently undertaking its December stock assessment. This is expected to be released in January following a full review and analysis of the stock position.

OGA will be completing ongoing stock assessments on a bi-annual basis in June and December.

Augusta Project Update

- ✓ 413Ha Flinders Bay lease expansion approved.
- ✓ 2,000 ABITATS constructed, deployed and seeded. Total = 7,000
- ✓ 17.2T abalone harvested 2016/17 FY.
- ✓ 21.1T abalone harvested 1 July – 15 December.
- ✓ Approximately 1.3M juvenile seeded in 2017.
- ✓ 2 new purpose built dive vessels delivered. Abalone Rancher & Abundance.

Other Projects Update

Esperance

- ✓ Wylie Bay lease approval. Total of 1,242Ha.
- ✓ JV Partner, Alan Wilson of Ocean King Fishing has constructed, deployed and seeded 400 ABITATS. Seeded with 160,000 juveniles October 2017.

Port Lincoln

- ✓ R&D Trial approved and commenced.
- ✓ 4 Trial Sites (10 ABITATS/site) seeded 30 September 2017. 16,000 juvenile abalone seeded.
- ✓ SARDI (South Australian Research & Development Institute) engaged to undertake 3rd party validation of R&D.
- ✓ \$100,000 FRDC grant approved

Business Development

- ✓ Strong demand for IQF meat sales into Hong Kong.
- ✓ Regular small live shipments into Sydney/Melbourne.
- ✓ Product development – whole frozen, vacuum pouches, live. Visits to customers in SE Asia. Trade show attendance.
- ✓ DA approval for processing/HQ/cellar door facility at Augusta Harbour.
- ✓ Awarded \$200,000 DAFF grant for market development and product development (particularly live).

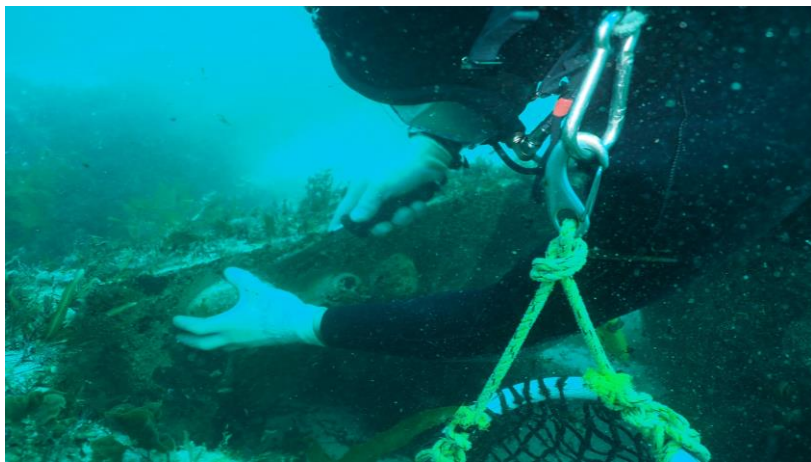
Competitive Analysis



The ranching system and comparisons to farming

Ranching

- High-quality abalone – larger size, better texture and flavour.
- Ranches in the ocean – natural and pristine seawater, sustainable habitat.
- Abalone in OGA ranches feed on ocean grown organic seaweed.
- “Wild” harvest.
- Significantly lower cost structure, therefore higher margins.



Farm

- Lower quality abalone – small sized, less preferred taste.
- Farmed in artificial tank environment on land – water needs to be treated.
- Farmed abalone feed on factory produced expensive, artificial aquafeed and chemical formulas.
- “Farmed” harvest.
- Inferior economics.



Advantages of ranching over land-based methods

- ✓ Ability to harvest any size, but OGA focus on 110-140mm, a size not currently seen in the market due to:
 - Minimum size limits in traditional fisheries (>140mm); and
 - Too costly to produce in traditional land-based aquaculture systems.
- ✓ Ability to meet market specifications on demand, e.g. Chinese New Year.
- ✓ Ability to develop high-margin, niche markets.
- ✓ Low cost of production, compared to traditional land-based abalone aquaculture systems, resulting in higher margins:
 - No feed costs;
 - Negligible power costs;
 - Low infrastructure costs; and
 - Low cost of real estate.



Significant competitive advantage & barriers to entry

- ✓ No new greenfield investments in traditional land-based abalone farms in Australia
- ✓ OGA focuses on abalone of 110-140mm, a size not currently seen in the market due to minimum size limits (>140mm) in wild catch, too costly to produce in traditional land-based aquaculture systems
- ✓ Flexible harvest allows an ability to meet market specifications on demand
- ✓ Low cost of production, compared to traditional land-based abalone aquaculture systems: higher margins
- ✓ A management team with the skills and experience to execute the growth strategy
- ✓ Patented technology fully developed using private capital. Commercial proposition already validated
- ✓ Ranching produces a “wild catch” product “Baby Wild”, which delivers marketing advantages

Technology is suited to a few **select locations** around Australia.

OGA has developed an **in-house, end-to-end knowledge base** that is key to successful abalone ranching.

OGA has a **ten-year head start** on any new entrant.

Long lead times to acquire and develop new leases. A typical 5,000 abitat ranch takes 5 years to reach steady state of production from deployment date.

Established relationships with regulatory authorities.

OGA has developed **strategic alliances with key abalone hatcheries** to secure supply of juvenile abalone. Due to the high cost and long lead times of developing land-based abalone hatcheries, it is unlikely that a new hatchery would be developed by a new entrant.

OGA has assessed multiple reef designs and **understands the intricate requirements of successful reef design.**

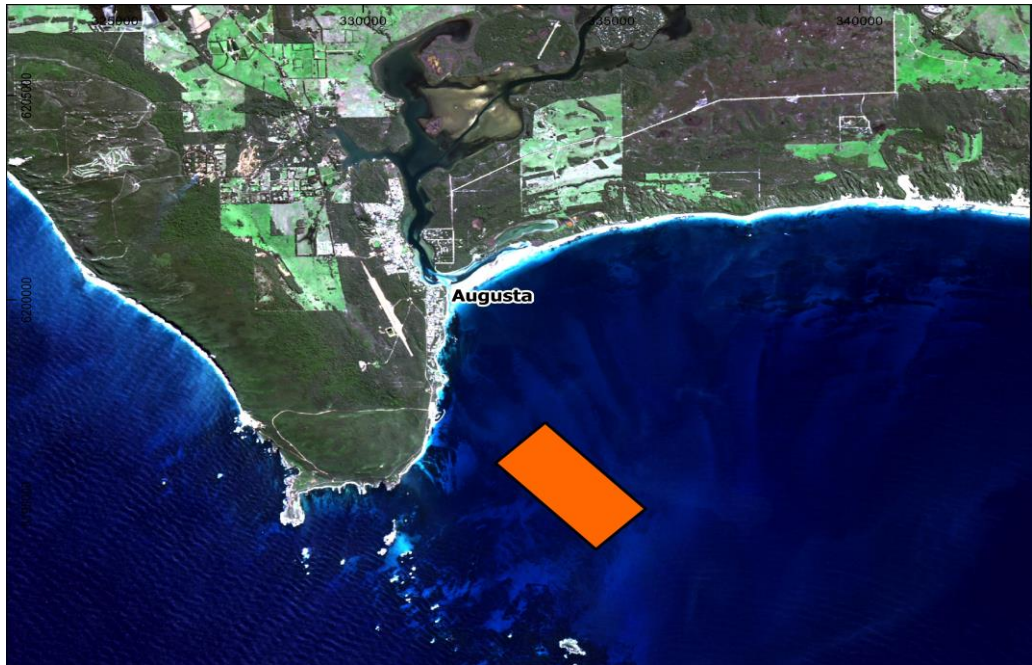
Land-based farms cannot compete on quality or size. The average harvest size from a land-based farm is 90-100mm whereas OGA are targeting 125-135mm. Wild-caught legal minimum length is 140mm.

Develop **supply chains direct to consumer.**

Location advantage

Augusta is considered an 'ideal' location for abalone ranching as:

- Proximity to Augusta Marina.
- Close to a town (services and staff).
- Long-term supply agreement in place with the 888 Abalone hatchery in Bremer Bay.
- Large areas of suitable habitat on which to locate reefs on (sand/seagrass).
- Proximity to Asian markets.
- Protection from large swells due to unique island system.



Other producers/competition

Land-based/Farmed

Yumbah Abalone
Craig Mostyn Group
(Food & Agribusiness)
Ocean Road
888 Abalone Pty Ltd
Golden Bay Corporation
Australia Pty Ltd (Tasmanian
Abalone Farms)
Ocean Wave Seafood Pty Ltd
Ocean Abalone Australia No.1

OGA ranching



Wild catch

Commercial catch
Greenlip abalone (2013,
tonnes):

- Western Australia (166)
- South Australia (360)
- Tasmania (140)
- Victoria (1)

Source:

http://www.fish.gov.au/reports/molluscs/abalones/Pages/greenlip_abalone.aspx

Corporate Overview



Capital Structure

Issued Capital Snapshot

CAPITAL STRUCTURE (as at 20 Dec 2017)

Shares on Issue:	174,110,260
Options on Issue: (100% escrowed)	21,346,902
Performance Rights on Issue: (100% escrowed)	12,000,000
Share Price: (closing price at 20 Dec 2017)	\$0.195
Market Capitalisation: (based on closing price of \$0.195)	\$33,951,501
Cash Balance at IPO: (as at 14 Nov 2017)	\$11.95 million

Capital Structure

Terms of Shares, Options & Performance Rights

Shares	Number	Escrow Expiry
Fully Paid Ordinary Shares	154,357,693	N/A
Fully Paid Ordinary Shares (Escrowed)	19,752,567	14 Nov 2019
Total Shares on Issue	174,110,260	

Options	Number	Exercise Price	Expiry Date	Escrow Expiry
Series A Options (Corporate Adviser)*	8,807,452	30 cents	28 Dec 2020	14 Nov 2019
Series B Options (Corporate Adviser)*	10,039,450	39 cents	30 Sep 2021	14 Nov 2019
Series C Options (Non-Executive Directors)**	2,500,000	44 cents	30 Sep 2021	14 Nov 2019

* View Street Capital Partners has acted as Corporate Adviser to the Company

** Issued to the Non-Executive Chairman (Peter Harold) and the Non-Executive Director (Danielle Lee).

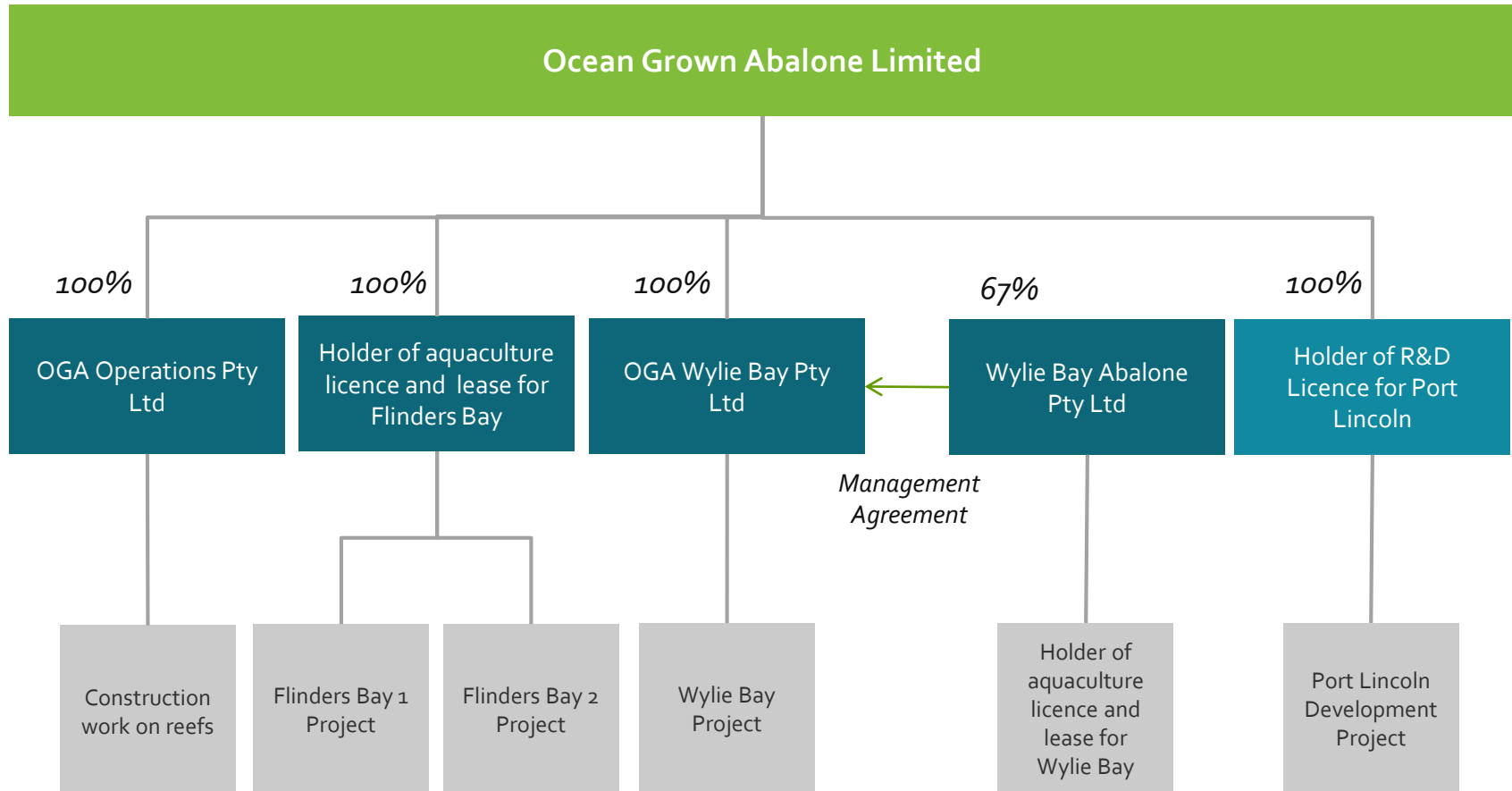
Performance Rights***	Number	Expiry Date	Escrow Expiry
Class A Performance Rights (Managing Director)	4,000,000	31 Dec 2018	14 Nov 2019
Class B Performance Rights (Managing Director)	4,000,000	14 Nov 2019	14 Nov 2019
Class C Performance Rights (Managing Director)	4,000,000	14 Nov 2022	14 Nov 2019

*** Performance conditions attached to the Performance Rights are as follows:

- Class A Performance Rights: Prior to 31 December 2018, the Company completes its Flinders Bay 2 Project in Augusta, with completion deemed to occur upon the deployment and seeding of 5,000 Abitats at the Flinders Bay 2 Project site.
- Class B Performance Rights: Within 2 years from the date the Company is admitted to the Official List of the ASX, the Company recognises revenue from the sale of 100 tonnes of abalone combined from Flinders Bay 1, Flinders Bay 2, Wylie Bay and Port Lincoln Development projects in any 12 month period.
- Class C Performance Rights: Within 5 years from the date the Company is admitted to the Official List of the ASX, and subject to the Board determining the success of a material part of the Port Lincoln Development Project, the Company (either on its own or together with an affiliate or joint venture partner) deploys and seeds a cumulative total of 5,000 Abitats across one or more commercial project sites within South Australia.



Corporate Structure



Board Structure



Mr Peter Harold (Non-Executive Chairman), B. App. Sc (Chemistry) FAICD Peter is the Managing Director of Panoramic Resources Limited (ASX:PAN) and is a process engineer with over 26 years of corporate experience in the minerals industry, specialising in financing, marketing, business development and general corporate activities. Prior to founding Panoramic Resources in March 2001, Peter held various senior management positions with Shell Australia, Australian Consolidated Minerals Limited, Normandy Mining Limited, MPI Mines Limited and the Gutnick network of companies. Peter was immediate past Chairman on the Youth Focus Board. This is an independent not for profit charity that focuses on the prevention of youth suicide and depression. Peter is also Non-Executive Chairman of Peak Resources Limited (ASX:PEK) and a Non-Executive Director of Pacifico Minerals Limited (ASX:PMY).



Mr Brad Adams (Managing Director) BSc (Biology), G.Dip (Aqua) MBA Brad is a third-generation fisherman and has worked as a commercial abalone diver along Western Australia's south coast for 12 years. In the 1990's, Brad was involved in setting up one of Tasmania's first abalone farms – Tasmanian Tiger Abalone, which later became Cold Gold Abalone. Brad has been actively involved in Abalone Aquaculture research and development in Western Australia since 2000. Brad was a director of the Western Australian Fishing Industry Council from 2009 to 2011 and Chairman from 2011 to 2013. He holds a MBA and Bachelor of Applied Science, Biology from Curtin University of Technology and a Graduate Diploma, Aquaculture from the University of Tasmania. Brad has been a Director of and served in an executive capacity for Ocean Grown Abalone Limited since July 2013.



Mr Ian Ricciardi (Executive Director) Ian has been involved in the Western Australian Fishing Industry since 1975. The Ricciardi Family group have interests in Shark Bay prawn trawlers. Ian has worked on and operated trawlers in Shark Bay, Gulf of Carpentaria and Kimberly Prawn Fisheries. Ian also has interests in the South West Trawl Fishery, through One Sea Pty Ltd – Rottnest Island Scallop. The Ricciardi Family built and operated an Export Food Processing Facility in North Coogee and holds 50% interest in Fremantle City Coldstores. Ian held the position of President of Shark Bay Prawn Association for 10 years and has significant experience in WA Fisheries-related processes. Ian has been a Director of and served in an executive capacity for Ocean Grown Abalone Limited since July 2013.



Ms Danielle Lee (Non-Executive Director) LLB Danielle is a corporate lawyer with more than 20 years experience shared between private law firms and the ASX. Her main practice areas are corporate advisory, governance and equity capital markets. She advises on a range of corporate and commercial transactions including capital raisings, business and share acquisitions, shareholder agreements and joint venture arrangements. Most recently Danielle was special counsel at Jackson McDonald and previously was counsel for Fairweather Corporate Lawyers for approximately 7 years after having worked for approximately 9 years as legal counsel at ASX Sydney and Assistant Manager at ASX Perth. She is currently a non-executive director of Hazer Group Limited (ASX:HZR).