



Ocean Grown
Abalone

22 November 2019

ASX RELEASE

ASX: OGA

AGM Presentation

Ocean Grown Abalone Limited (**ASX: OGA, the Company**) provides a copy of the presentation that will be delivered to shareholders in attendance at the Annual General Meeting of the Company to be held today.

END

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About the Company

Ocean Grown Abalone Limited (**ASX: OGA**) has developed the world's first commercial greenlip abalone sea ranching business in the pristine waters of Flinders Bay, Western Australia. Through the construction of proprietary, purpose-built artificial abalone reefs (called “Abitats”), OGA can supply commercial quantities of its premium, 'wild-harvested', greenlip abalone at sizes not otherwise available in the Australian abalone market today.

For more information visit <https://www.oceangrown.com.au>

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Annual General Meeting
22 NOVEMBER 2019

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Overview



Business Overview

Operations

- Flinders Bay.
 - Total capacity 10,000 installed Abitats, with approval to expand by a further 5,000.
- **Processing Facility – Augusta Marina**
 - Flexibility and productivity improvements to the business.
 - Product value adding.
- **Production and Sales**
 - Harvest FY 2019 - 55 tonnes (FY 2018 38.1 tonnes, FY 2017 – 17.2 tonnes).
 - Total sales – up 48% to 52.9 tonnes in FY19 compared to 35.8 tonnes in FY18.
- **BIOMASS Growth**
 - > 88% of BIOMASS commercial grade @ 30 June 2019 (@ 30 June 2018 – 62.5%)
 - Total BIOMASS @ 30 June 2019 - 235T (@ 30 June 2018 – 161T).
- **Future Developments**
 - Esperance – Assessing land based abalone hatchery and grow-out business.
 - Potentially provides upside to existing ranches and future developments.
 - Flinders 3 – DPIRD approval given for additional 5,000 Abitats. Trials underway outside of existing lease to assess future expansion potential.



Recent Awards

- Fishtech Award October 2019 - Qingdao China – Technology & Innovation in sustainable seafood, providing increased marketing and exposure to Chinese customers and partners.
- Export Council Australia – WA Industry & Export Award in the category of Sustainability. This award acknowledges 'outstanding international success in environmental solutions, clean energy innovation, materials and energy efficiency, waste and water management, green buildings and R&D collaboration.
- Hong Kong-Australia Business Association (HKABA).
 - Winner of Business Export Award from WA Chapter.
 - Australian National Business Award winner



New Processing facility – Augusta Western Australia

The new processing facility provides OGA the opportunity to unlock value.

- Increased production capacity.
 - Individual Quick Frozen (IQF).
 - Whole in Shell (WIS).
 - Live: premium high value product.
 - Other value adding opportunities.
- Increased production flexibility.

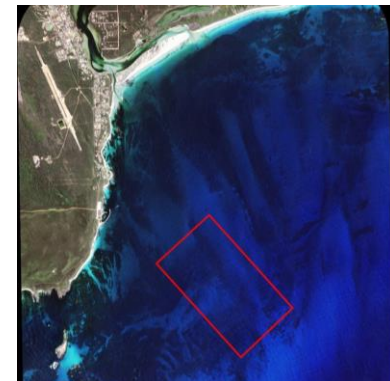
Improved operational productivity for dive crew, processing and management – secure service center at marina.

- Addresses current processing bottleneck, limiting production.
- Commence processing by end November 2019



OGA's development opportunities

- Optimisation of existing Assets.
 - Moving ABITATS identified as low productivity to higher productivity areas within lease.
 - Continued R&D to enhance understanding of productivity drivers.
 - Genetic selection of fast growers for future seed stock.
 - Refinement of husbandry systems.
- Continue to develop the Two Oceans Brand in SE Asian Markets to penetrate market as a premium brand.
- Esperance – vertical integration and diversification opportunity
 - Hatchery.
 - 500 tonnes p.a. grow out facility.
- Flinders III.
 - Developing more production at the existing site is as a high value opportunity for growth.
 - R&D on 3 trial sites outside of existing Flinders Bay lease is underway.
 - Approval from DPIRD for 5,000 extra ABITATS within current Flinders Bay lease.
- Wylie Bay.
 - Continue working with Ocean King Fishing to develop knowledge of Wylie Bay location.
- Build value, scale & diversity through identifying strategic opportunities.
 - Identify and develop value opportunities from new live holding and processing facility.
 - Examination of vertical integration opportunities.
 - Examination other seafood value opportunities.
 - Work with local wild catch abalone industry to improve returns.



Esperance – abalone hatchery & land-based grow-out

- OGA has secured – 34 Ha coastal land suitable for the development of a large-scale abalone farming business.
 - Land is located 10 minute drive from Esperance town.
 - Potential for future expansion and further diversification.
 - Access to labour, infrastructure and 3rd party support services
 - Access to pristine oceanic water with water temperature profile (14-21°C) ideal for greenlip abalone culture.
- The property is a unique proposition for large scale land-based abalone farm.
 - The property has the capacity to enable development a 500 tonne per annum facility for the production of greenlip abalone, targeted for export markets. Concept Design study completed with positive results.
 - Potential nursery capacity to supply to OGA ranches.
- Preliminary concept design study completed, with promising results.
- OGA board decision to proceed to next stages of feasibility assessment.

Project location to Esperance town



Next steps

Esperance development

- Underwritten rights issue.
- Proceed with next stages of feasibility.
- Secure licenses, obtain approvals.
- Assess funding strategies.
- 3 to 6 months – Decision on whether to proceed with development.
- 6 to 12 months – source capital.
- 12 to 18 months – commence development.
- 2 to 3 years – First Spawning of brood stock for farm.
- 5 to 6 years – First harvest and sales of 100g farmed greenlip abalone.



Financials

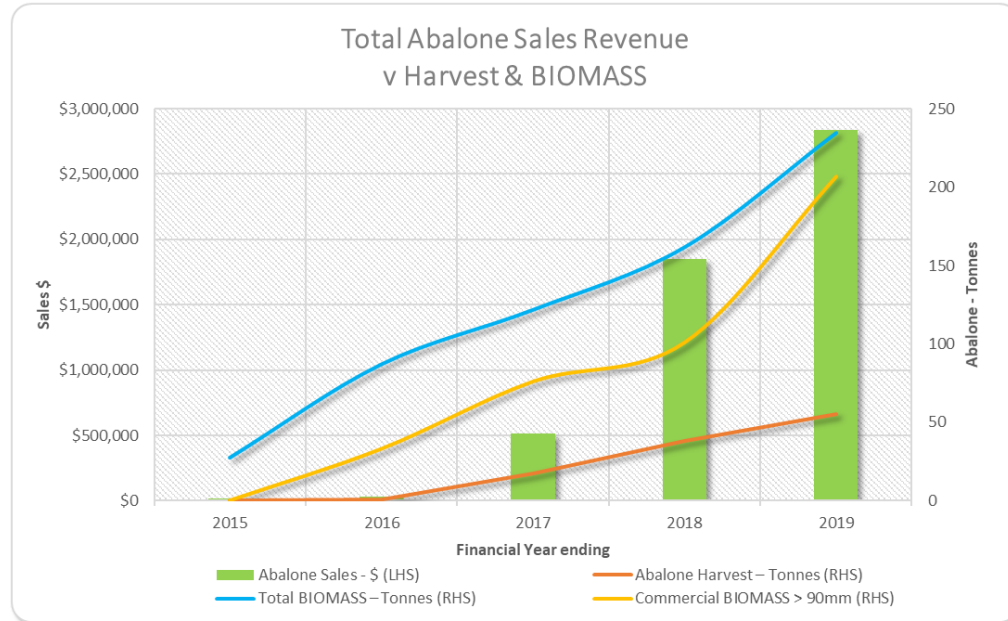


November 22, 2019

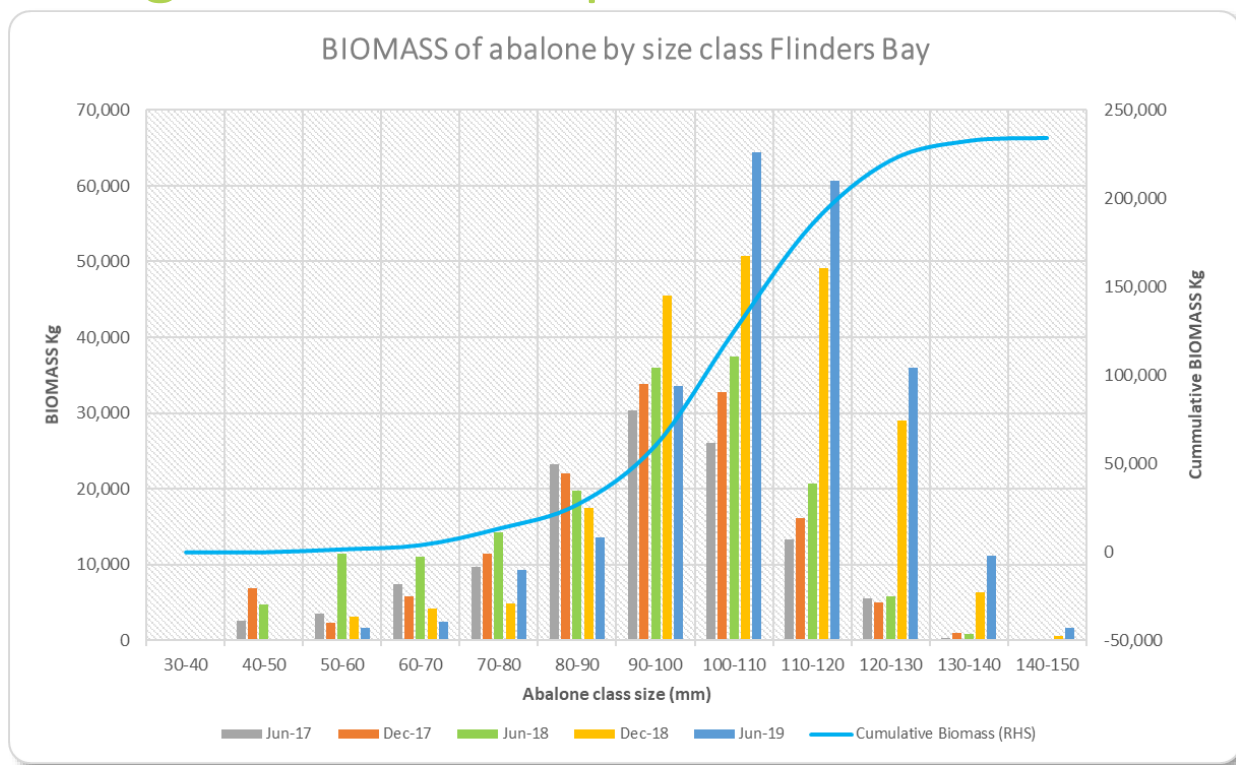
Financial Results @ 30 June 2019

- 2019 abalone sales revenue 48% greater than 2018.
- 2019 sales 52.9 tonnes 48% greater than 2018.
- 2019 abalone harvest 55.0 tonnes 44% greater than 2018.

	2019	2018	2017	2016
Abalone Sales	\$2,837,250	\$1,853,225	\$514,576	\$28,232
Abalone Harvest – Tonnes	55.0	38.10	17.20	0.92
Total BIOMASS – Tonnes	234.6	161.8	121.9	87.2
Commercial BIOMASS	207	101	76	33
Profit/(Loss) before tax	\$2,370,024	(\$3,046,512)	(\$1,549,568)	(\$1,325,923)



BIOMASS and growth rates update



BIOMASS overview

- ✓ OGA's ocean BIOMASS and harvest continues to increase year on year, while wild greenlip abalone stocks and production continue to decline.
- ✓ 55 tonnes harvested in FY2019, @ 30/06/19 – OGA has 207 tonnes of commercial grade abalone on its oceanic ranches (@ 30/06/18 – 101 tonnes).
- ✓ OGA ranched product is well positioned to fill the gap in reduction of wild quota caught greenlip abalone.



Board & Corporate Structure

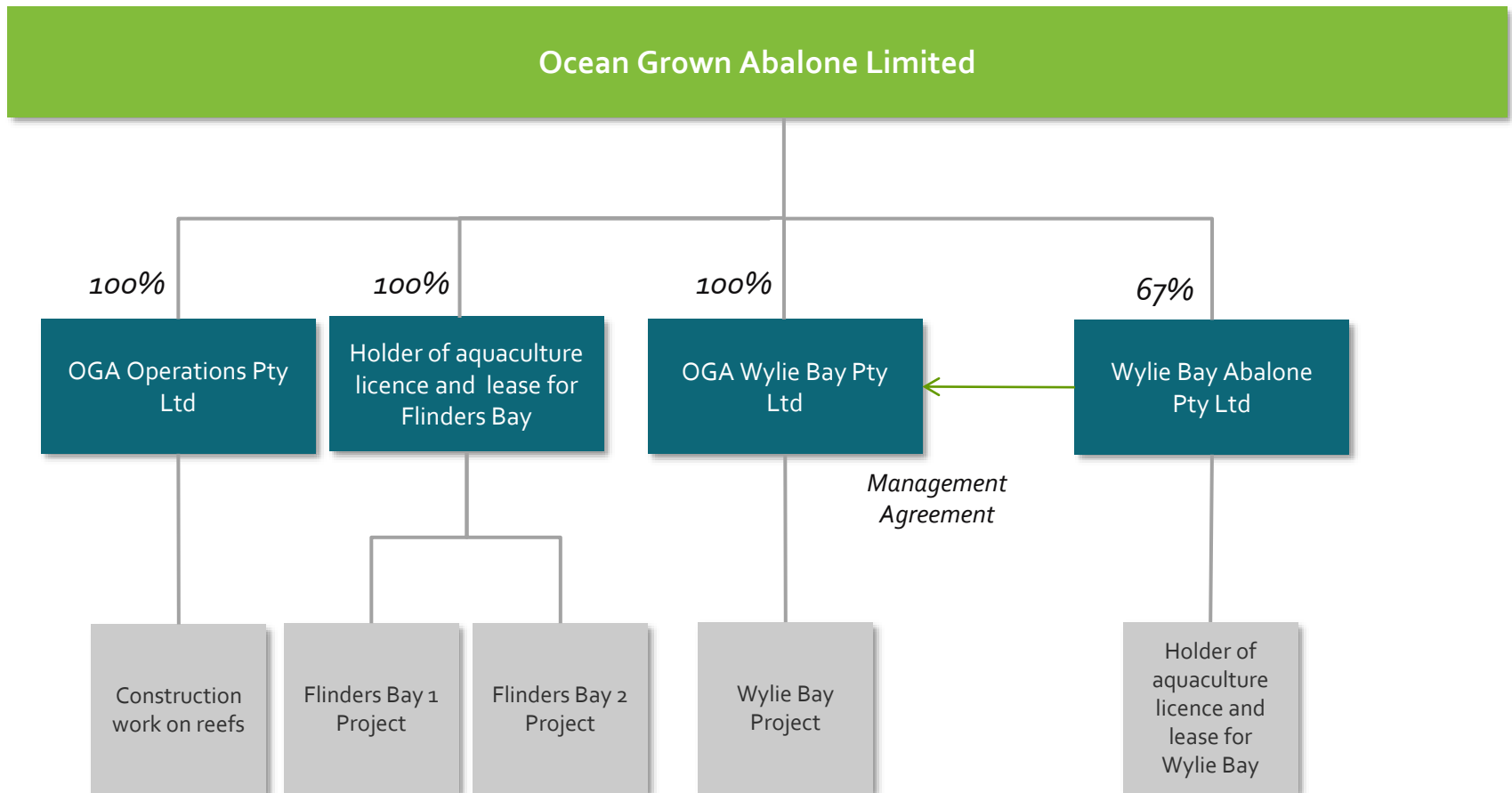
Capital Structure

Issued capital

Capital Structure (as of 30 June 2019)

Shares on Issue at 18 November 2019	178,438,026
Options on Issue	21,346,902
Performance Rights on Issue	4,000,000
Share Price (21/11/2019)	\$0.145
Market Capitalisation	\$25,873,514
Cash Balance at 30 June 2019	\$2,571,694
Cash Balance at 19 November 2019	\$1,808,741

Corporate Structure



Board Structure



Mr Peter Harold (Non-Executive Chairman), B. App. Sc (Chemistry) FAICD Peter is a process engineer with over 30 years of corporate experience in the minerals industry, specialising in financing, marketing, project development and operating, business development and general corporate activities. Peter was a founder of Panoramic Resources in March 2001 and was MD until November 2019. 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 is 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 (Non-Executive Director) Ian has been involved in the Western Australian Fishing Industry since 1975. Ian has worked on and operated prawn 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.



Ms Danielle Lee (Non-Executive Director) B.Ec, LLB Danielle is an experienced corporate lawyer with more than 23 years of experience shared between private law firms and the Australian Securities Exchange. She has a broad range of skills and legal experience in the areas of corporate advisory, governance and equity capital markets. She has advised a range of Australian public and private companies in a range of industries on corporate transactions including capital raisings, ASX listings, business and share acquisitions, shareholder agreements and joint venture agreements.

Contact Details

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