

ASX Announcement | 3 February 2023

Seafarms Group Limited (ASX: SFG)

SFG ASX Announcement No: 746

Construction Dispute Update

Seafarms Group Limited (ASX: SFG) (the **Company**) today received the decision of the Royal Institution of Chartered Surveyors adjudicator in the contractual dispute with construction contractor Canstruct regarding Project Sea Dragon.

The adjudicator has determined a total amount of \$13.9m (exc. GST) is payable to Canstruct as per claims of money owed following the suspension of work on Project Sea Dragon (PSD) in December 2021 and later termination of contracts in April 2022.

Commenting on the decision, CEO Mr Rod Dyer said:

“We are extremely disappointed with the decision of the adjudicator in the contractual dispute with Canstruct.

“Seafarms provisioned \$8.7m for a settlement of this dispute in its 2022 accounts, and has the capacity to cover the balance. We believe the determination to be excessive and are now considering our next steps on this matter, including legal redress.

“Once that legal advice is received and considered, the Company will provide the market with a further update.

“With respect to the future of Project Sea Dragon, as stated in our announcement of 30 November 2022 the assessment of key risks to Project Sea Dragon in 2022 found there was no technical reason why it should not continue.

“We remain focused on the development of a new business case for Project Sea Dragon.”

Authorised for release by the Board of Seafarms Group Limited.

For further information, please contact:

Seafarms Group

Mr. Harley Whitcombe

Company Secretary

P: +61 8 6375 5900

Media / Investor Enquiries

John Fergusson

P: +61 407 826 952

E: info@seafarms.com.au

About Seafarms Group

Seafarms Group Limited (ASX: SFG) is a sustainable aquaculture company, producing the premium Crystal Bay® Prawns and developing the Project Sea Dragon prawn aquaculture project in northern Australia.

Seafarms Group Limited

ABN 50 009 317 846

Level 10, 490 Upper Edward Street
Spring Hill, Queensland 4000
Australia

PO Box 252
Spring Hill, Queensland 4004

T +61 7 3248 0222

E info@seafarms.com.au

W <https://www.seafarms.com.au>