



Esperance development – Positive Concept Design Study

HIGHLIGHTS

- **Concept Design Study completed** – suggests the land is suitable for hatchery and grow-out facility for 500 tonnes p.a. of abalone.
- **Excellent Location** – Location has ideal water temperatures for greenlip abalone and is located near a major town.
- **Board endorsement** – Concept Design Study provides confidence to continue to the next stages of feasibility assessment.
- **Project development** – provides the opportunity to diversify, vertically integrate, optimise and grow.

DETAILS

The Board of Ocean Grown Abalone Limited (**ASX: OGA or Company**) is pleased to announce that an Independent Concept Design Study (Design Study) for developing the Esperance Project has been completed by Consulting Engineers, Pritchard Francis with positive results. This Design Study, although a preliminary study, focused on the potential to build a 500-tonne p.a grow-out facility and hatchery, has provided the Board with confidence to continue to the next stage of feasibility assessment.

The Design Study focused on determining the suitability of the Esperance Project Land (Land) to meet the Company's strategy of vertical integration and growth of existing ocean ranching operations by the development of a large-scale land-based abalone hatchery and grow-out facility (abalone hatchery) on the Land.

The Land is approximately 34 hectares in size and located about 10 kilometres from Esperance. The Company has a lease of the Land until July 2020, with an option to extend the lease for a further 12 months (until July 2021) for \$10,000. During the lease period, the Company has the right to purchase the Land for developing an abalone hatchery for \$500,000 plus subdivision costs capped at \$15,000.

The Company is undertaking feasibility work to assess the suitability of the Land for a large-scale abalone hatchery as:

- The Land is well located with proximity to Esperance and its infrastructure including an export port and a population of over 12,000.
- Water temperatures (14 to 21 degrees Celsius) of nearby ocean water to be used in any hatchery and grow-out facility are ideal for greenlip abalone and growth rates.
- The Shire of Esperance and the community have been supportive.
- Any land-based farming would complement existing and any expanded ocean ranching operations.
- There are diversification opportunities as well as a vertical integration opportunity post the juvenile supply agreement the Company has in place until July 2024.

Consistent with good project management and planning principles, the Company will proceed to the next stages of feasibility.

The Company anticipates that the feasibility study will be completed around April 2020, at which time it is expecting to be in a position to make a development decision with any associated Land purchase as well as determining funding strategies for the project development.”

END

ASX RELEASE

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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>

Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, currency fluctuations, increased production costs and variances in recovery rates from those assumed, as well as political and operational risks in the Countries and States in which we operate or sell the product to, and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.