



## Signing of a Framework Sales Agreement and Initial Order of an estimated USD 1.95 million for approximately 50 tonnes of Greenlip Abalone

Ocean Grown Abalone Ltd (ASX: **OGA**, or **the Company**) is pleased to announce the signing of a new framework sales agreement (**agreement**) and initial order for Individually Quick Frozen (IQF) greenlip abalone meat with Hong Kong based Seafood Importer and Wholesaler, Wo Hing.

Wo Hing's first order under the new agreement is for more than 50 tonnes of harvested greenlip abalone, estimated to be valued at approximately USD 1.95 million<sup>1</sup>. A monthly delivery schedule has been agreed between OGA and Wo Hing up to the end of December 2019.

OGA is very pleased to secure this substantial order with Wo Hing. OGA has been supplying Wo Hing since OGA first started supplying Hong Kong, and during that time grown its exports as demand for our fresh premium wild-harvested abalone products increases in Asia and around the world.

This order provides Wo Hing with a secured forward supply of OGA's premium wild greenlip abalone at pre-agreed prices for specified size grades. This order is a natural progression of the relationship built between OGA and Wo Hing, and reflects the importance of buyers securing supply sources to meet increasing global demand for premium seafood.

Key terms of this initial order under the new agreement include the following:

- Apart from March, July and August, there will be a monthly shipment, with a total of 12 shipments over the term of the order.
- OGA and Wo Hing have agreed the USD price for each size grade of greenlip abalone that is delivered. Each order has a pre-agreed delivery month at an agreed fixed total shipment weight.
- The total price for each order will be determined by the mix of size grade total weights actually supplied, as determined by OGA's actual harvest.
- OGA will manage foreign exchange risk exposure on this order by applying its foreign exchange risk management policies.
- OGA is responsible for Australian export and delivery costs to the pre-agreed destination port in Hong Kong under international INCOTERMS 2010 (CPT), with the Buyer responsible for any freight insurance and for all importation and associated costs from the destination port.
- The key terms of the framework agreement include suitable protections for OGA as appropriate to a seafood delivery contract of this nature, including limitations of liability, protection against force majeure events, retention of title until full payment, and risk on the product being transferred to Wo Hing once the product is loaded with the international carrier.

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<sup>1</sup> The initial order will involve the supply of differing sizes of abalone, with differing prices for each size, which will affect the final contract price. Accordingly the estimated contract value is based on expected average size of supply (given previous supply volumes under previous supplies to this buyer), but will vary depending on the actual supplies.

## 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 is able to 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 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.