



Ocean Grown
Abalone

Ocean Grown Abalone Investor Presentation

November 2019



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Operations



Business overview

Operations

- Flinders Bay.
 - Total capacity 10,000 installed Abitats, with approval to expand by a further 5,000.
 - If laid end to end Abitats would be approximately 20 Km's long.



Production and Sales

- Harvest FY 2019 - 55 tonnes (FY 2018 38.1 tonnes, FY 2017 – 17.2 tonnes).

BIOMASS Growth

- > 88% of BIOMASS is commercial grade @ 30 June 2019 (@ 30 June 2018 – 62.5%)
- Total BIOMASS @ 30 June 2019 - 235T (@ 30 June 2018 – 161T).



Processing Facility – Augusta Marina – operational by the end of November'19

- Brings additional flexibility and productivity improvements to the business.
- Resolves processing “bottleneck” limiting production.
- Enables further value adding to products.



Future Developments

- Esperance – Assessing 34 Ha prime coastal land to develop 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.



Locations

OGA has developed proprietary ABITAT 'ranching technology' enabling it to establish "wild abalone" populations, in locations previously regarded as "oceanic desert".

Current locations:

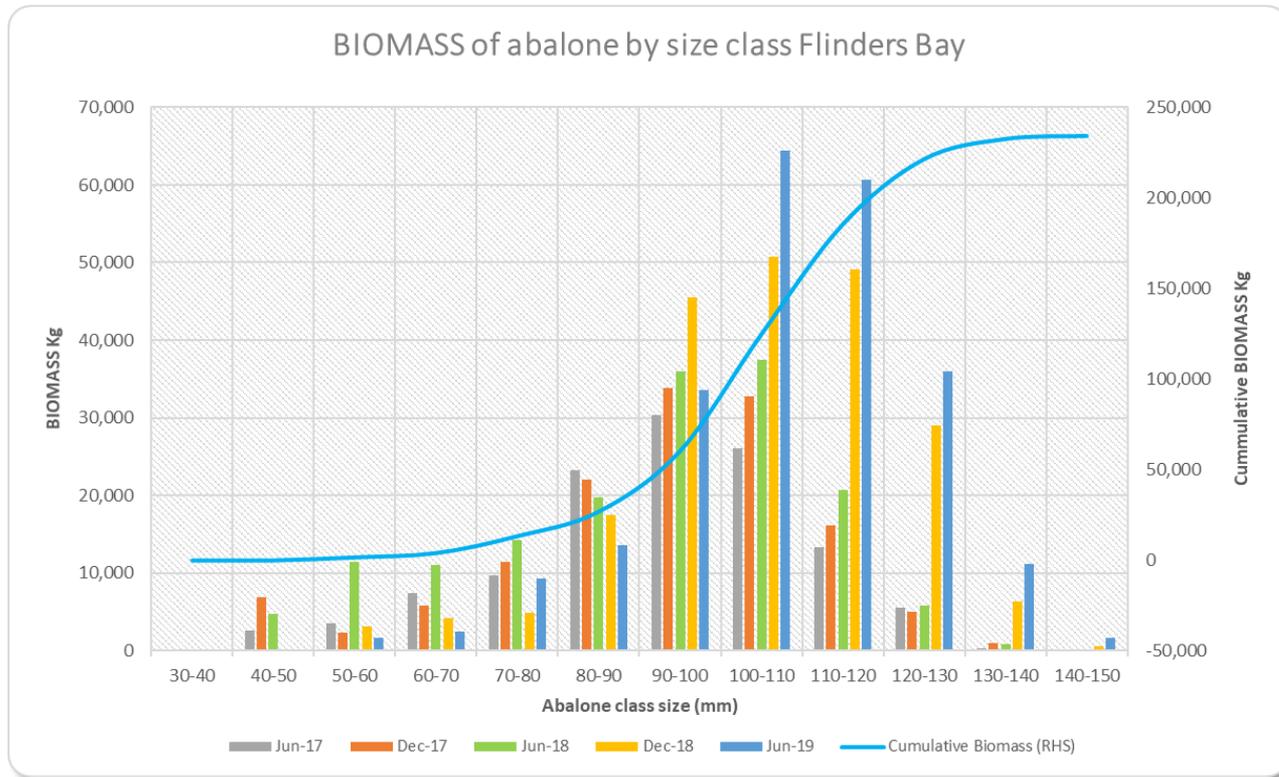
- Augusta Western Australia.
 - Area 413 Ha Lease.
 - 10,000 Abitats installed
 - Licenced to install further 5,000 ABITATS
- Wylie Bay – Esperance Western Australia.
 - Area 922 Ha Lease.
 - Trials commenced October 2017. 350 ABITATS.
 - August 2019- Positive results, similar growth & survival to existing Augusta commercial ranching operations. Ongoing monitoring for future expansion opportunities. First harvest scheduled by JV partner for December 2019.

Ideal areas where we apply our ranching technology:

- Areas of suitable habitat on which to locate reefs - (sand/seagrass).
- Close proximity to a Marina, hatchery and export supply chains.
- Protection from large swells.



BIOMASS and growth rate 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.

New Processing facility – Augusta Western Australia

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

Increased production capacity.

- Individual Quick Frozen meat (IQF).
 - Whole in Shell (WIS).
 - Value-added packaging lines.
- Live : premium product, capacity of up to 7,500 Kg in a week.

Increased production flexibility.

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

Lower unit costs of production.

Addresses current processing bottleneck, limiting production.

Commence processing by end November 2019.



Harvest/Sales

- ✓ Harvest volumes - up 44% to 55.0 tonnes FY19 compared to 38.1 tonnes in FY18.
- ✓ Largest ever harvest for a quarter in Q2FY19 of 19.9 tonnes, an increase of 48% compared to the previous largest quarter in Q2FY18.
 - Abalone up to 140mm & 400g being harvested from 3 year old reefs.
 - Includes thinning of younger 2 year old stock. Average 100mm & 140g.
- ✓ Total sales – up 48% to 52.9 tonnes in FY19 compared to 35.8 tonnes in FY18.



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. Nominated for National Business Awards, to be held in Sydney on 11 November 2019.



Esperance – abalone hatchery and land-based grow-out

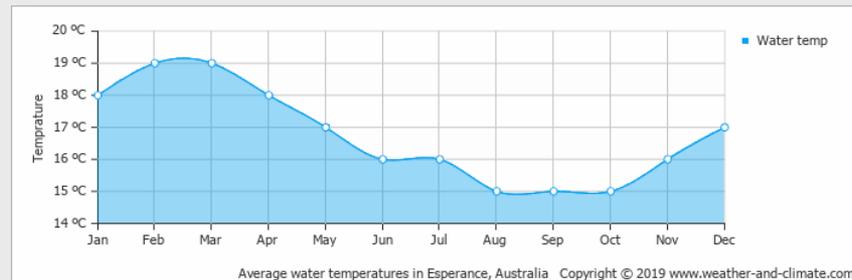
- OGA has an option to purchase a 34 Ha rural property in Esperance, Western Australia.
 - TERMS
 - 12 month lease (until July 2020) with option for additional 12 month lease (until July 2021) for \$10,000 p.a.
 - Option to purchase at OGA discretion.
 - Sale price - \$500,000 plus sub-division costs capped at \$15,000.
- 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.



The Esperance Abalone Farm opportunity

- **This is a rare opportunity for OGA.**
- Secured - Coastal land suitable for the development of a large-scale abalone farming business.
- Large parcel of freehold coastal land, located 10 minute drive from a large rural town.
- Potential for future expansion and further diversification.
- Access to labour.
- Access to infrastructure – roads, power, scheme water.
- Access to 3rd party support services – engineers, concrete suppliers, builders etc.
- Access to pristine oceanic water with water temperature profile (14-21°C) ideal for greenlip abalone culture.



- Pumping head – average 6m above mean low tide.
- Potential for installation of green energy – solar/wind/harvesting outflow water.
- Working port of Esperance is serviced by container ships fortnightly. Seaborne freight in freezer containers to anywhere in the world is possible.
- Supportive Shire Council & community. Diversification of the local economy.
- Development of regional aquaculture businesses is a key policy of the McGowan Western Australian government.

The Esperance Abalone Farm Opportunity

Abalone Farming

- Growth / Diversification and access to additional market segments
- Land based abalone farming has been successfully established in Australia. e.g. Yumbah.
- Compliments existing oceanic ranching operations, providing growth and market diversification into farmed abalone.
- Strong international demand for farmed abalone from Australia.

Potential benefits for existing wild ranching operations.

- Potential for juvenile abalone supply diversification and vertical integration.
- Direct control over choice of juvenile abalone used in ranches.
- Genetic selection for growth and survival traits.
- Opportunity to supply hybrid & brownlip abalone juveniles.



Indicative next steps –Esperance abalone farm

- 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.



Example of abalone grow out tanks.

(Not assets of the Company)

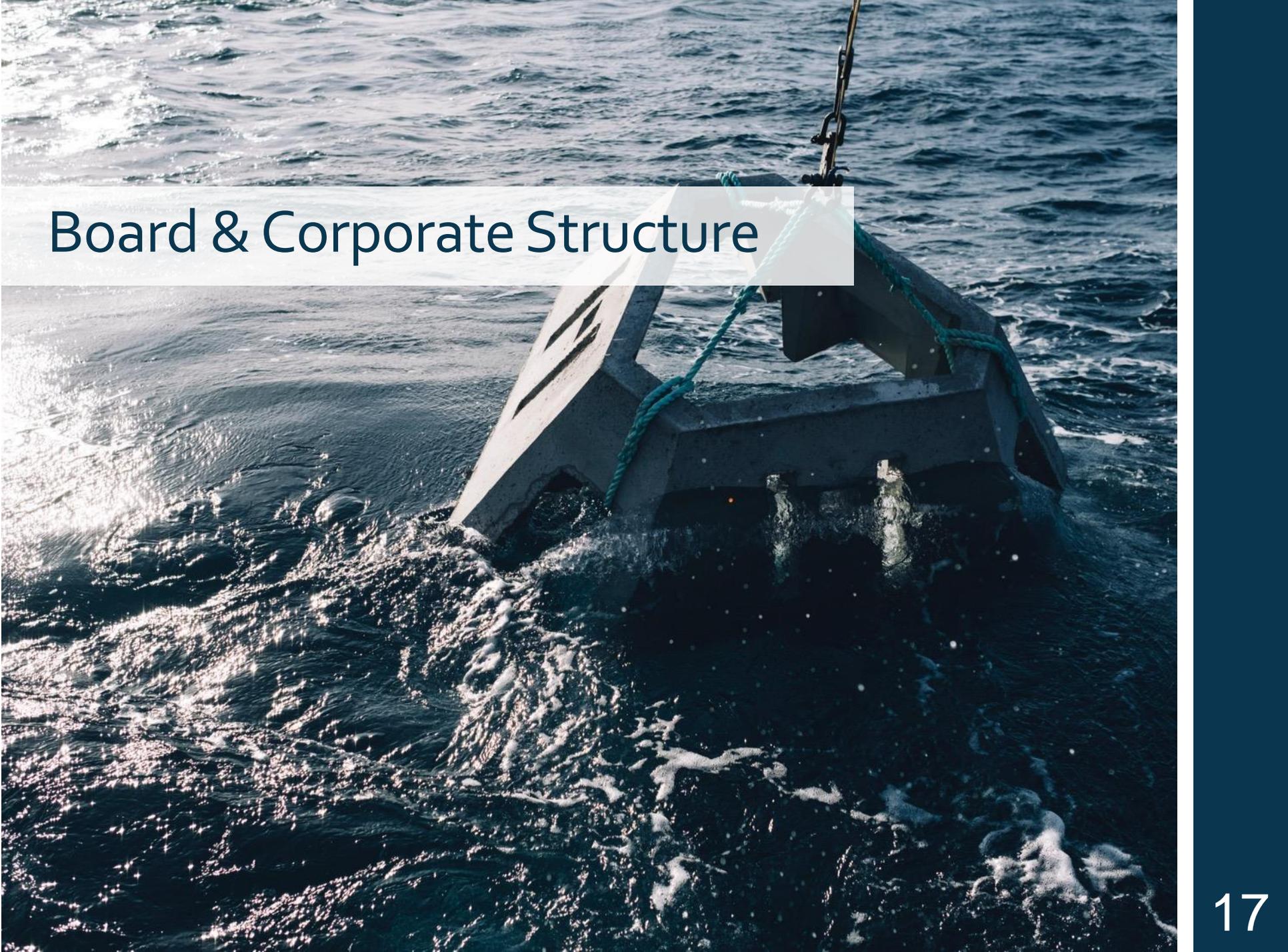
Picture courtesy of Yumbah Aquaculture Limited
Image © Yumbah Aquaculture Limited

Financials

Profit and Loss by activity

Profit and Loss overview by key activity & function @ 30 June 2019					
	Ranching Activities	3rd Party Processing	Selling & Marketing	Head office	Group Total
<u>Operating income & expenditure</u>					
Total Revenue	2,837,250	222,506	-	449,597	3,509,353
Operating Costs	(3,264,513)	(399,072)	(451,863)	(1,493,322)	(5,608,770)
Development & Construction costs	(186,760)	-	-	(203,250)	(390,010)
Investment in BIOMASS	(1,310,665)	-	-	-	(1,310,665)
R&D Refund	-	-	-	1,578,886	1,578,886
BIOMASS movement	5,078,577	-	-	-	5,078,577
Deprecation & Amortisation	(498,714)	(8,251)	-	(43,051)	(550,016)
Total Operating Profit	2,655,175	(184,817)	(451,863)	288,860	2,307,355
<u>Non operating adjustments</u>					
Performance Rights	-	-	-	62,669	62,669
Total Non operating adjustments	0	0	0	62,669	62,669
Profit (Loss) before tax	2,655,175	(184,817)	(451,863)	351,529	2,370,024

- ✓ First full year profit before tax since listing \$2,370,024 compared to FY18 (\$3,046,512).
- ✓ Total operating cost reductions across the business
↓\$599,556 Dive Vessels, ↓ 141,121 Employee costs; ↓ \$64,918 Corporate & Admin.
- ✓ Strong BIOMASS growth for the year, provides ocean inventory for future sales.

A large, dark grey concrete tetrapod buoy is shown floating in the ocean. The buoy has a complex, four-armed structure. It is secured with thick green ropes. The water is dark blue with white foam from the buoy's movement. A white rectangular text box is overlaid on the top left of the image.

Board & Corporate Structure

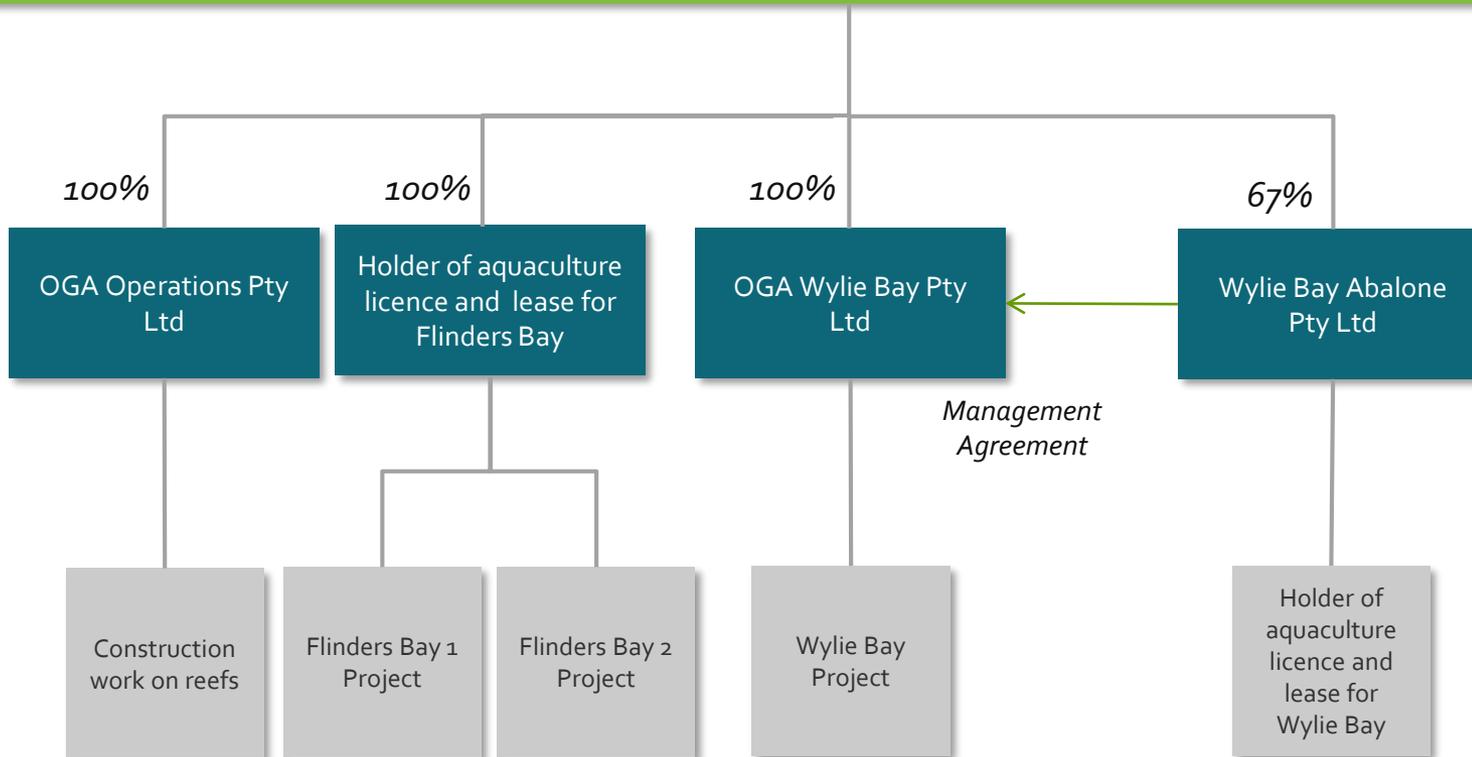
Capital Structure

Issued capital

Capital Structure (as of 6 November 2019)	
Shares on Issue	174,438,026
Options on Issue: (100% escrowed to 14 November 2019)	21,346,902
Performance Rights on Issue (100% escrowed to 14 November 2019)	12,000,000
Share Price (6/11/2019)	\$0.155
Market Capitalisation	\$27,037,894
Cash Balance at 30 June 2019	\$ 2,571,694
Cash Balance at 5 November 2019	\$2,277,527

Corporate Structure

Ocean Grown Abalone Limited



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 30 years of corporate experience in the minerals industry, specialising in financing, marketing, project development and operating, 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 is also Non-Executive Chairman of Horizon Gold Limited (ASX: HRN) 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 (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 – Rottneest 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.