



Ocean Grown
Abalone



Ocean Grown Abalone Investor Presentation

October 2018

Important Notice and Disclaimer

Summary of information

This presentation has been prepared by and is the sole responsibility of Ocean Grown Abalone Limited ("OGA" or the "Company"). This presentation contains general and background information about the Company's activities current as at the date of the presentation and should not be considered to be comprehensive or to comprise all the information that an investor should consider when making an investment decision and does not contain all information about OGA's assets and liabilities, financial position and performance, profits and losses, prospects, and the rights and liabilities attaching to OGA's securities. The information in this presentation should be read in conjunction with OGA's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, available at www.asx.com.au. The information in this presentation is based on OGA's own information and estimates and has not been independently verified. OGA is not responsible for providing updated information and assumes no responsibility to do so. Any investment in OGA should be considered speculative and there is no guarantee that OGA will make a return on capital invested, that dividends would be paid, or that there will be an increase in the value of the investment in the future.

Not financial product advice

Statements and information in this presentation are current only as at 24 October 2018 (or as otherwise indicated) and the information in this presentation remains subject to change without notice and is expected to change, potentially in material respects. The information contained in this presentation is for information purposes only and is an overview and does not contain all information necessary to make an investment decision or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001 (Cth) (Corporations Act). This presentation is for information purposes only and should not be considered as, an offer or an invitation to acquire securities in the Company or any other financial products and neither this presentation nor any of its contents will form the basis of any contract or commitment. This presentation must not be disclosed to any other party and does not carry any right of publication. Neither this presentation nor any of its contents may be reproduced or used for any other purpose without the prior written consent of the Company. The information contained in this presentation is of a general nature and does not purport to be complete or verified by the Company. The information contained in this presentation does not constitute investment or financial product advice (nor taxation or legal advice) or a recommendation to acquire shares in the Company and is not intended to be used as the basis for making any investment decision. In providing this presentation, the Company has not considered the objectives, financial position, taxation situation or other needs of any particular recipients. Investors should consult with their own professional advisers in connection with any acquisition of securities.

No liability

The Company, its related bodies corporate, shareholders or affiliates, nor any of its respective officers, directors, employees, affiliates, agents, representatives or advisers (each a "Limited Party") guarantees or makes any representations or warranties, express or implied, as to or takes responsibility for, the accuracy, reliability, completeness, correctness or fairness of the information, opinions, forecasts, reports, estimates and conclusions contained in this presentation. The Company does not represent or warrant that this presentation is complete or that it contains all information about the Company that a prospective investor or purchaser may require in evaluating a possible investment in the Company or acquisition of shares in the Company. To the maximum extent permitted by law, each Limited Party expressly disclaims any and all liability, including, without limitation, any liability arising out of fault or negligence, for any

loss arising from the use of or reliance on information contained in this presentation including representations or warranties or in relation to the accuracy or completeness of the information, statements, opinions, forecasts, reports or other matters, express or implied, contained in, arising out of or derived from, or for omissions from, this presentation including, without limitation, any financial information, any estimates or projections and any other financial information derived therefrom.

Forward looking statement

This presentation may contain certain forward looking statements and comments about future events, including the Company's expectations about the performance of its businesses. Forward looking statements can generally be identified by the use of forward looking words such as, 'aim', 'assume', 'due' 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'purpose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecast, projections and other forward looking statements will not be achieved. A number of important factors could cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, and many of these factors are beyond the Company's control. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of the Company. As such, undue reliance should not be placed on any forward looking statement. Past performance is not necessarily a guide to future likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast. Nothing contained in this presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company. No Limited Party or any other person makes any representation, or gives any assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this presentation will occur.

The information in this presentation remains subject to change without notice. No responsibility or liability is assumed by the Company for updating any information in this presentation or to inform any recipient of any new or more accurate information or any errors or mis-descriptions of which the Company or its advisers may become aware.

Forward looking statements speak only as of the date of this document. There can be no assurance that actual outcomes will not differ materially from these statements. To the maximum extent permitted by law, OGA and any of its affiliates and their directors, officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in and forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).





Operations

Business overview

Operations

- Flinders 2 completed October 2018
 - Since FY 2017 total capacity increased 100% to 10,000 installed Abitats
 - If laid end to end Abitats would be approximately 20 Km's long
- Installed capacity lays the foundation for increases in future harvests / sales



Production and Sales

- Harvest FY 2018 - 38.1 tonnes (FY 2017 – 17.2 tonnes).
- Sales FY 2018 - 35.8 tonnes (FY 2017 – 11.4 tonnes).



BIOMASS Growth

- Total BIOMASS @ 30 June 2018 – 161,835 Kg (@30 June 2017 – 121,870 Kg).
- Commercial BIOMASS @ 30 June 2018 - 100,718 Kg (@ 30 June 2017 – 75,515 Kg).



Processing

- New processing building contract awarded and construction commenced.
- Target completion June 2019.
- Brings additional flexibility and productivity improvements to the business.
- Resolves processing “bottleneck” limiting production.



Future Developments

- Wylie Bay – 12 month assessment completed. Encouraging and comparable to existing commercial ranches in Augusta.



Locations

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

Current locations:

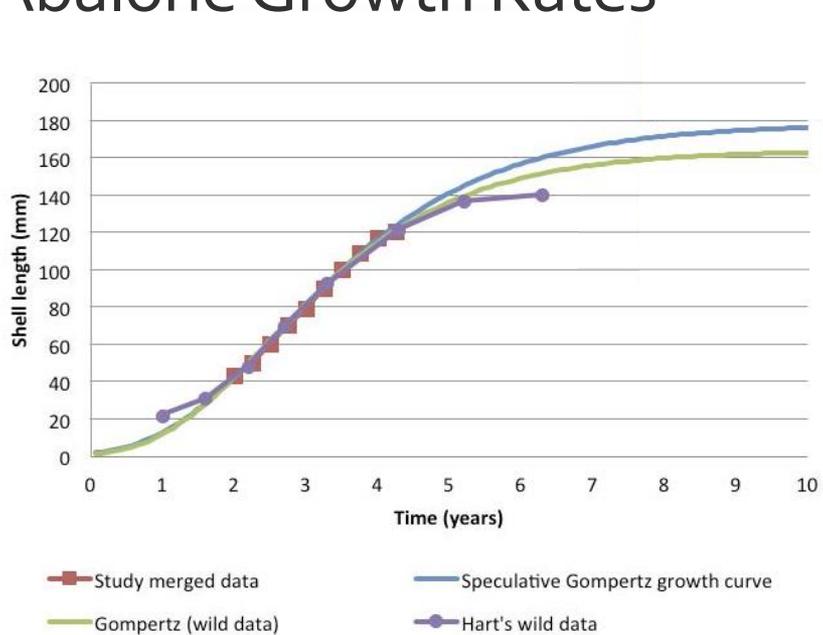
- Augusta Western Australia
 - Area 413 Ha Lease.
 - 10,000 Abitats and installed capacity of 200 T p.a.
- Wylie Bay – Esperance Western Australia
 - Area 922 Ha Lease.
 - Trials commenced October 2017.
 - October 2018 - Positive results, similar to existing Augusta commercial ranching operations. Ongoing monitoring for future expansion opportunities.
- Other sites currently under consideration.

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.



Abalone Growth Rates



LENGTH (mm)	WEIGHT (g)
40	10
50	19
60	33
70	53
80	75
90	100
95	130
100	160
105	180
110	205
115	235
120	280
125	330
130	370

Source: Fisheries Research & Development Corporation, Curtin University of Technology, Ocean Grown Abalone. 2013

Typical weights at various lengths.

OGA's target market is from 100 mm to 140 mm (i.e. ~ 170 g to 400 g).

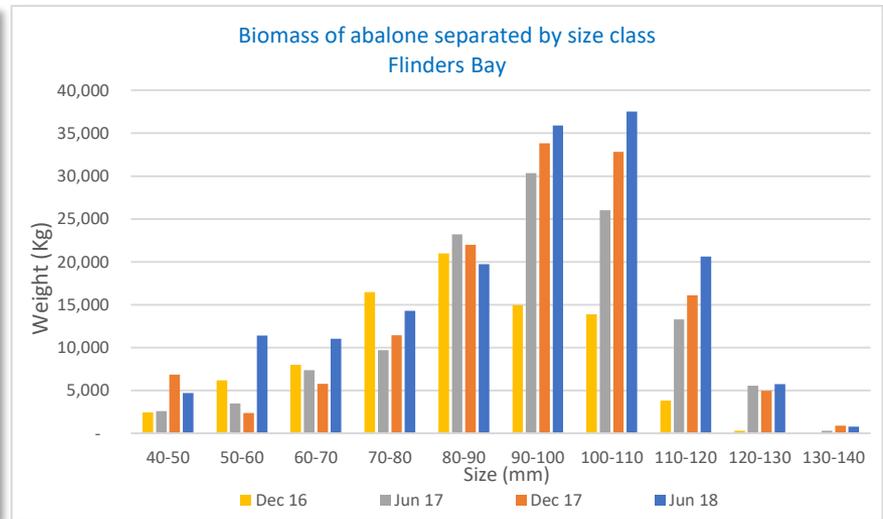
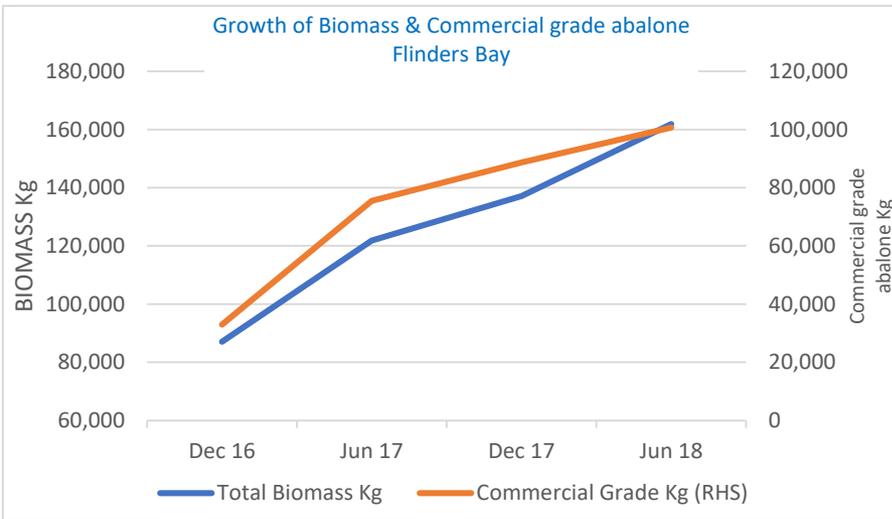
- Target to harvest at the top end of the accelerated growth phase (i.e. ~ estimated to be up to 125mm size).
- Long term harvest strategy to optimise returns – size v grade size price.

TIME	# Abs/ ABITAT	Average Length (mm)	Average Weight (g)	Biomass (kg) / ABITAT	Biomass (kg) / 5000 ABITATS
Day 1	120	40	10	1.20	6,000
Day 30	84	40	10	0.84	4,200
Day 365	75	75	66	4.95	24,750
Day 730	67	105	180	12.00	60,000
Day 1095	60	125	330	20.00	100,000

Ocean Grown Abalone Biomass model



BIOMASS and growth rates update



BIOMASS overview

- ✓ OGA's ocean BIOMASS and harvest continues to increase year on year, while commercial wild Greenlip Abalone stocks and production continue to decline.
- ✗ Commercial wild caught quota for Greenlip Abalone has dropped dramatically within the last few years.
- ✗ Commercial wild quota now 18.2 tonnes of meat weight (~51 tonnes weight in shell per year).*
- ✓ OGA FY 2018 harvest 38.1 tonnes, on target to pass wild quota for ocean Greenlip Abalone in FY 2019.*
- ✓ BIOMASS continues to grow.

Future harvests

- ✓ 38.1 tonnes harvested in FY2018, @ 30/07/18 – OGA has 100,718 Kg of commercial grade abalone on its oceanic ranches (@30/07/17 - 75,515 Kg).
- ✓ OGA ranched product is well positioned to fill the gap in reduction in wild quota caught Greenlip Abalone.

*Wild Caught Greenlip, Source: Strain, L.W.S., Hesp, S.A., Fabris, F. and Hart, A.M. 2017. Demographic performance of Brownlip abalone: exploration of wild and cultured harvest potential. FRDC Project No. 2012/016. Fisheries Research Report No. 280, Department of Fisheries, Western Australia.

New Processing facility – Augusta Western Australia

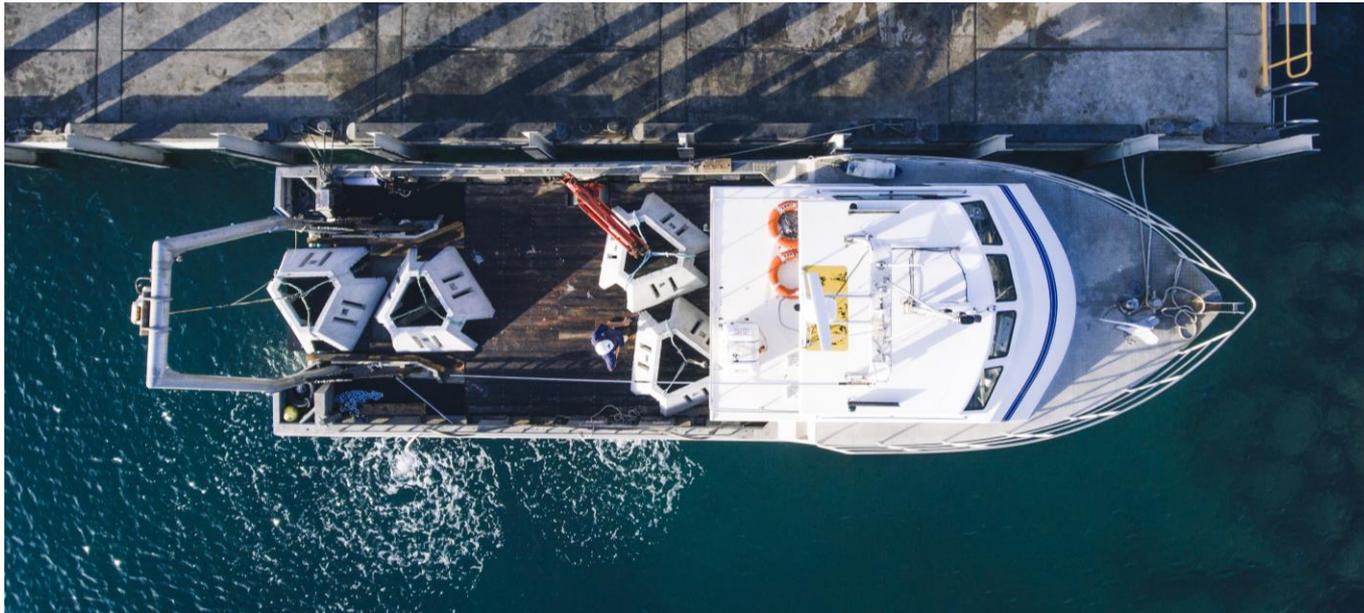


The new processing facility provides OGA the opportunity to unlock value.

- Increased production capacity.
 - Individual Quick Frozen (IQF).
 - Whole in Shell (WIS).
 - Live – premium product, capacity of up to 7,500 Kg in a week.
- Increased production flexibility.
- Improved operational productivity – secure service centre at marina.
- Lower unit costs of production.
- Addresses current processing bottleneck, limiting production.

Harvest

- ✓ **FY2018 abalone harvest of 38.1 tonnes increased by 221% compared to FY2017 17.2 tonnes**
 - Abalone up to 140mm & 400g being harvested from 3 year old reefs.
 - Includes thinning of younger 2 year old stock. Average 100mm & 140g.
- ✓ Largest harvest in one day achieved in September 2018 of 1,161 tonnes. Currently limited by processing capacity, expected to be resolved with the new processing facility by June 2019.
- Q1 FY2019 – 10.4 tonnes. Lower than expectation due to unseasonal weather, resulting in large oceanic swells and harvests being deferred.



Sales

- ✓ **FY 2018 Sales 35.8 tonnes increases by 215% compared to FY 2017 11.4 tonnes.**
 - Sales to Asian markets strong and continuing to increase → target security & reliability of supply.
 - Sales to Australian markets continue to increase.
- ✓ **Hong Kong forward sales to December 2019.**
 - Estimated value USD 1.95 million.
 - Equivalent to more than 50 tonnes Greenlip Abalone.
- ✓ **Regular live abalone shipments into Sydney/Melbourne**
 - ✓ Current live abalone capacity 300 Kg per week.
 - ✓ New facility, foundation for capacity potential up to 7,500 Kg per week.
- ✓ **First commercial delivery of live abalone to Hong Kong**
- ✓ Product development.
 - ✓ In Asian Markets sold under Two Oceans Abalone brand.
 - focus on developing brand loyalty with end user.
 - ✓ Live Abalone. Ramp up production once new facility is completed expected June 2019.
- Q1 FY2019 – 10.4 tonnes. Lower than expectation due to unseasonal weather, resulting in large oceanic swells and sales being deferred.



Live Abalone - Sydney Fish Markets



Wylie Bay

Background

- Join Venture with Ocean Grown Abalone 67% (OGA) and Ocean King Fishing (OKF) 33%.
- Size 926 Ha (Area 1 - 596 Ha, Area 2 - 326 Ha). Augusta commercial ranch lease 413 Ha.
- First seeded October 2017.

Performance

- 12 month assessment completed – encouraging results.
- Continue monitoring in 2019 for future expansion opportunities.

Key Commercial Terms

- OGA & OKF – Joint operating arrangements.
- OGA receives a marketing fee for all JV abalone net sales.
- OGA receive a Royalty against net sales from the JV for use OGA's IP.



Wylie Bay – October 2018.

Financials



Profit and Loss - @ 30 June 2018

Profit and Loss overview by key activity at 30 June 2018

	Flinders 1	Flinders 2	Esperance	Port Lincoln	3rd Party	Selling & Marketing	Listing fees	Consultants & Advisors	Head office	Group Total
Cash										
Total Revenue	1,853,225	-	-	-	360,523	-	-	-	63,557	2,277,305
Operating Costs	(1,046,960)	(955,798)	(13,124)		(426,824)	(553,229)	(198,078)	(344,792)	(1,204,765)	(4,743,569)
Development and Construction costs	-	(677,175)	-	(209,520)	-	-	-	-	-	(886,695)
Investment in BIOMASS	(782,132)	(1,331,738)	-		-	-	-	-	-	(2,113,870)
R&D Refund	-	-	-	-	-	-	-	-	1,994,059	1,994,059
Total Cash	24,133	(2,964,711)	(13,124)	(209,520)	(66,301)	(553,229)	(198,078)	(344,792)	852,851	(3,472,770)
Non Cash										
BIOMASS valuation movement	654,124	848,575	-	-	-	-	-	-	-	1,502,699
Change in valuation methodology (refer Note 2 (x) of Annual Report)	610,135	-	-	-	-	-	-	-	-	610,135
Performance Rights & Director Options	-	-	-	-	-	-	-	-	(1,131,712)	(1,131,712)
Depreciation & Amortisation	(253,684)	(253,684)	-	-	(10,707)	-	-	-	(36,789)	(554,864)
Total Non Cash	1,010,575	594,891			(10,707)				(1,168,501)	426,258
Profit (Loss) before tax	1,034,708	(2,369,820)	(13,124)	(209,520)	(77,008)	(553,229)	(198,078)	(344,792)	(315,650)	(3,046,512)

- ✓ Reef construction costs ↓ with completion of Flinders 2 in Q1FY2019.
- ✓ Focus for Flinders 1 & 2 → optimisation, abalone growth, and increasing future harvests.
- ✓ Future BIOMASS value realised as abalone are harvested.

A large, grey, geometric concrete structure, likely a tetrapod, is being towed through the ocean. The structure is partially submerged and is creating a large, turbulent wake of white foam and dark water behind it. The water is dark blue with white foam from the wake. The structure has several openings and is connected to a metal chain and rope system. The text "Board & Corporate Structure" is overlaid on a semi-transparent white box in the upper left quadrant of the image.

Board & Corporate Structure

Capital Structure

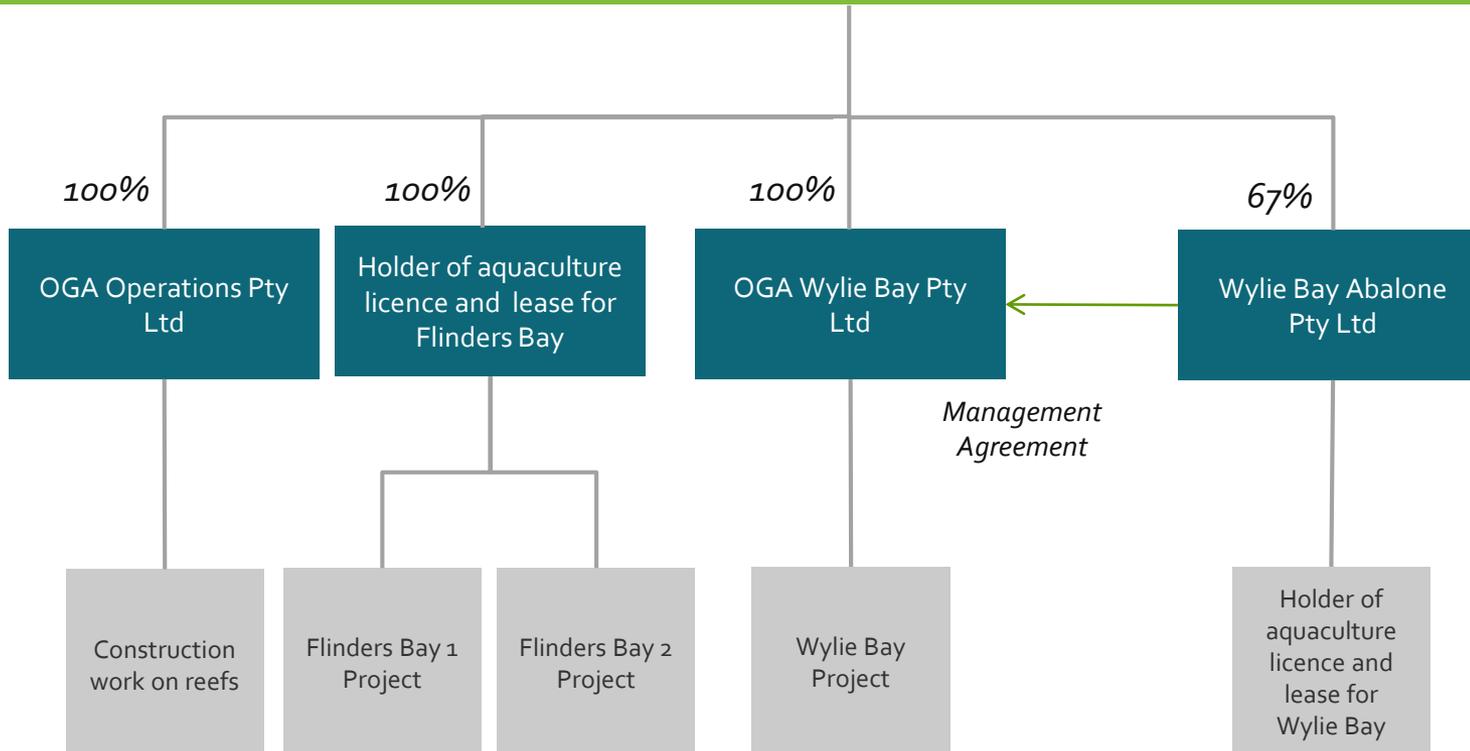
Issued capital

Capital Structure (as of 24 October 2018)	
Shares on Issue	174,110,260
Options on Issue: (100% escrowed)	21,346,902
Performance Rights on Issue: (100% escrowed)	12,000,000
Share Price (24/10/2018)	\$0.15
Market Capitalisation	\$26,116,539
Cash Balance at 30 September 2018	\$ 5,745,000
Cash Balance at 24 October 2018	\$7,572,173



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 (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.

