



Operational Update and COVID-19

HIGHLIGHTS

- **Sales** – COVID-19, adversely affecting sales volumes, with many variables impacting operating activities.
- **Board and Executive Management** - actively managing strategies to mitigate costs and diversify and generate sales opportunities.
- **Esperance development** – material costs suspended to future periods.
- **Board and Executive Management** - agree to reduce their pay and fees by 10%.

DETAILS

The Board of Ocean Grown Abalone Limited (**ASX: OGA or Company**) announces an operational update in view of the COVID-19 pandemic. Sales volumes for the Company have been adversely impacted. The evolving COVID-19 situation means the future impact is uncertain at this time.

The Executive Management and Board are actively managing strategies to mitigate costs. They have agreed to reduce their base employment benefits and directors fees by 10%, entitlements for remaining employees have not changed.

With a downturn in sales because of COVID-19, flowing to reductions in workloads in some areas, the Company has regrettably reduced the number of permanent positions within the Company by 3 employees.

During this period of uncertainty, OGA has put on hold any further material expenditure on its Esperance feasibility study, only working on approvals and deferring all other feasibility expenditure to future periods.

As part of its mitigation strategy, OGA remains focused on diversifying and generating sales opportunities, has a BIOMASS of more than 263 tonnes of abalone at 31 December 2019 and has more than \$3.4 million in the Bank.

The Board and Management will continue to actively monitor the operations of the Company and will keep the market informed of any material developments.

END

This announcement was authorised to be given to the ASX by:

The Board of Ocean Grown Abalone Limited.

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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.