



Non-Renounceable pro-rata Rights Issue Notice under Section 708AA(2)(f) of the Corporations Act 2001 (Cth)

On 20 November 2019, Ocean Grown Abalone Limited ("Company") announced that it would make a non-renounceable pro-rata rights issue ("Rights Issue") of shares in the Company ("New Shares") to all shareholders with a registered address in Australia or New Zealand recorded on the Company's share register at the record date ("Eligible Shareholders").

The Rights Issue is fully underwritten by Morgans Corporate Limited.

The Company confirms the Rights Issue is being made without a disclosure document pursuant to section 708AA of the Corporations Act 2001 (Cth) ("the Act") as varied by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84.

Pursuant to section 708AA the Company provides the following information:

- (a) the Company will offer the New Shares for subscription without disclosure to investors under Part 6D.2 of the Act;
- (b) the Company is providing this notice under section 708AA(2)(f) of the Act;
- (c) as at the date of this notice the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
 - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (1) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (2) the rights and liabilities attaching to the New Shares.
- (e) The potential effect the issue of the New Shares will have on the control of the Company, and the consequences of that effect, will depend upon a number of factors, including the level of take up from Eligible Shareholders. The primary consequences will be as follows:
 - (i) If all Eligible Shareholders as at the record date take up their full entitlement, the Rights Issue will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company subject only to changes resulting from ineligible shareholders being unable to participate in the Rights Issue.
 - (ii) In the more likely event that not all Eligible Shareholders subscribe for their full entitlement (ie there is a shortfall), Eligible Shareholders who do not subscribe for their

full entitlement under the Rights Issue and ineligible shareholders unable to participate in the Rights Issue will be diluted relative to those Eligible Shareholders who subscribe for some or all of their entitlement. The extent of the dilution will depend on the degree to which Eligible Shareholders take up their entitlement. The maximum dilution for an Eligible Shareholder that does not take up its entitlement will approach 11.1% if nearly all other Eligible Shareholders take up their entitlement in full.

- (iii) By reason of existing shareholdings in the Company and the structure of the Rights Issue, no Shareholder can increase their voting power beyond 20% by reason of the Rights Issue. The Company will not issue any New Shares by reason of shortfall to Eligible Shareholders or others so they can increase their voting power beyond 20%.
- (iv) The underwriter has no current voting power in the Company and its voting power as a result of the Rights Issue will not approach the takeover threshold.

By reason of the above, the Company is of the view that the Rights Issue will not materially affect the control of the Company.

Yours faithfully



Brad Adams
Managing Director
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.