

TARGET'S STATEMENT

prepared by

Marine Produce Australia Limited
ACN 091 805 480

in relation to the off-market takeover bid by

Barramundi Asia Pte Ltd

to acquire all of your ordinary fully paid shares in Marine Produce Australia Limited.

The majority of the Directors of MPA consider that the Offer is **NOT FAIR BUT REASONABLE** for MPA Shareholders but otherwise **MAKE NO RECOMMENDATION** in respect of the Offer for the reasons set out in this Target's Statement but intend to accept the Offer in respect of their own MPA Shares, in the absence of a superior proposal.

MPA Director Miles Kennedy considers that the Offer is **NOT FAIR AND NOT REASONABLE** for MPA Shareholders but otherwise **MAKES NO RECOMMENDATION** in respect of the Offer, for the reasons set out in this Target's Statement but intends to accept the Offer in respect of his MPA Shares, in the absence of a superior proposal.

This is an important document and requires your immediate attention. If you do not understand it or are in doubt as to how to act, you should consult your legal, financial or other professional adviser immediately. If you have recently sold all your MPA Shares, please disregard this document.

MPA Shareholders who require assistance may call the Company Secretary on +61 8 9381 4483 at any time between 8:30am and 5pm (WST) on Monday to Friday.

IMPORTANT NOTICES

Nature of this document

This Target's Statement is dated 29 May 2018 and is given by Marine Produce Australia Limited (**MPA**) under Part 6.5 Division 3 of the Corporations Act in response to the Bidder's Statement by Barramundi Asia Pte Ltd (**BAPL**) dated 29 May 2018.

ASIC disclaimer

A copy of this Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers, take any responsibility for the contents of this Target's Statement.

No account of personal circumstances

This Target's Statement should not be taken as personal financial, investment or tax advice as each Shareholder's deliberations and decision will depend upon their own financial situation, tax position, investment objectives and particular needs.

Your MPA Directors encourage you to read this Target's Statement in its entirety and obtain independent advice from your investment, financial, tax or other professional adviser before making a decision whether or not to accept the Offer.

Defined terms

Capitalised terms used in this Target's Statement are defined in Section 11 of this Target's Statement.

Further information

MPA Shareholders who require assistance may call the Company Secretary on +61 8 9381 4433 at any time between 8:30am and 5pm (WST) on Monday to Friday.

Further information relating to the Offer can be obtained from MPA's website at **www.marineproduce.com**.

Information contained in, or otherwise accessible through, this internet site is not

a part of this Target's Statement. All references in this Target's Statement to this internet site are inactive textual references and are for your information only.

Forward looking statements

This Target's Statement contains various forward looking statements. Statements other than statements of historical fact may be forward looking statements. MPA believes that it has reasonable grounds for making all statements relating to future matters attributed to it in this Target's Statement. MPA Shareholders should note that such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of MPA. Shareholders should note that any reference to past performance is not intended to be, nor should it be relied upon as, a guide to any future performance. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward looking statement. None of MPA, its officers nor any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any results, values, performance or achievements expressed or implied in any forward looking statement, except to the extent required by law. Shareholders should not place undue reliance on any such statement. The forward looking statements in this Target's Statement only reflect views held as at the date of this Target's Statement. Any forward looking statement in this Target's Statement is qualified by this cautionary statement.

Information on BAPL

All of the information concerning BAPL contained in this Target's Statement has

been obtained from publicly available sources including public documents filed by BAPL and the Bidder's Statement. None of the information in this Target's Statement relating to BAPL has been verified by MPA or its Directors for the purposes of this Target's Statement. Accordingly, to the extent permitted by law, MPA makes no representation or warranty (either express or implied) as to the accuracy or completeness of this information. The information on BAPL in this Target's Statement should not be considered comprehensive.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law, and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

Charts and diagrams

Any diagrams, charts, graphs, maps and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs, maps and tables is based on information available at the date of this Target's Statement.

Privacy

MPA has collected your information from the register of MPA Shareholders for the purpose of providing you with this Target's Statement. The type of information MPA has collected about you includes your name, contact details and information on your shareholding (as applicable) in MPA. Without this information, MPA would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to external service providers (including the MPA Share Registry and print and mail service providers) and may be required to be disclosed to regulators such as ASIC.

If you would like details of information about you held by MPA, please contact the MPA Share Registry at the address in this booklet.

Risk Factors

Shareholders should note that there are a number of risks associated with the Offer and with remaining an MPA Shareholder if they reject the Offer.

Please refer to Section 8 of this Target's Statement for further information on those risks.

Rounding

A number of figure, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Target's Statement.

KEY POINTS OF THE OFFER

- **BAPL is offering \$0.50 for every one of your MPA Shares.**

See Section 3.2 of this Target's Statement and Section 9.1 of the Bidder's Statement.

- **The Offer expires at 5:00pm (Perth time) on 2 July 2018, unless extended.**

See Section 3.9 of this Target's Statement and Section 9.4 of the Bidder's Statement.

- **You can accept the Offer by following the instructions in the Bidder's Statement and completing the Acceptance Form enclosed with the Bidder's Statement prior to the close of the Offer.**

See Section 5 of this Target's Statement and Section 9.5 of the Bidder's Statement.

- **MPA Directors, Desiree Allen and Damien Kelly consider that the Offer is NOT FAIR BUT REASONABLE and make no other recommendation in respect of the Offer.**

See Section 1 of this Target's Statement.

- **MPA Director, Miles Kennedy considers that the Offer is NOT FAIR AND NOT REASONABLE and makes no other recommendation in respect of the Offer.**

See Section 1 of this Target's Statement.

KEY DATES

| Event | Key Date |
|---|---------------------------------|
| Date of Bidder's Statement | 29 May 2018 |
| Date of this Target's Statement | 29 May 2018 |
| Date of the Offer | 31 May 2018 |
| Close of Offer Period (unless extended) | 5pm (Perth time) on 2 July 2018 |

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1. DIRECTORS' RECOMMENDATION AND REASONS

MPA Directors, Desiree Allen and Damien Kelly consider that the Offer is **NOT FAIR BUT REASONABLE** and make no other recommendation in respect of the Offer.

MPA Director, Miles Kennedy considers that the Offer is **NOT FAIR AND NOT REASONABLE** and makes no other recommendation in respect of the Offer.

The MPA Directors recommend that if you wish to accept the Offer you should do so promptly to ensure that your acceptance is received before the closing date of the Offer at **5.00pm (Perth time) on 2 July 2018** (unless extended). You should not assume that the Offer Period will be extended as the extension does require the minimum acceptance condition of 70% to be achieved before an extension can be announced. BAPL will declare the Offer unconditional immediately after it has received acceptances to satisfy the minimum acceptance condition of 70%.

The MPA Directors have indicated their intention to accept, or procure the acceptance of, the Offer in respect of the MPA Shares that they, or their Associates, own or control or otherwise have a Relevant Interest in, subject to there being no Superior Proposal.

The following information is provided by the MPA Directors as follows to enable you to assess the merits of the Offer:

- **THE OFFER CONSIDERATION FOR YOUR MPA SHARES IS CONSIDERED TO BE NOT FAIR**

The Offer consideration is \$0.50 cash per MPA Share and is considered by your MPA Directors to be not fair for the following reasons:

The Offer fails to recognise the full underlying value of the MPA Shares

The historical financial statements of the Company for the periods in the table below indicate a net tangible asset value (**NTA**) per MPA Share in excess of the current Offer:

| Period | NTA per MPA Share |
|-----------------------------------|--------------------------|
| Financial year ended 30 June 2016 | \$0.65 |
| Financial year ended 30 June 2017 | \$0.80 |
| Half year ended 31 December 2017 | \$0.65 |

The NTA, which does not include significant intangible assets (such as branding and expansion licences - see below), includes significant tonnage (over 3,000 tonnes) of live, premium quality fish which has no domestic competitors in the same price category.

Offer price is lower than previous capital raising prices

The price at which MPA last raised new equity funds was \$0.75 per MPA Share in Financial Year 2017, mostly from the exercise of options. MPA also undertook a sale of small shareholder parcels at \$0.75 per MPA Share in the same year. The offer price is 33% below these issue and sale prices. It is noted that the Company's last major capital raising (\$4.9m) in late 2015 was undertaken at an issue price of \$0.50 per MPA Share – which is the same price as the offer price.

The Offer fails to recognise value for intangible assets held by the Company over and above the NTA of the Company

The Company has been operating for approximately 12 years and its Cone Bay Barramundi brand is well regarded in the market place with brand recognition. In 2014 and 2016, the Company was awarded major expansion rights to increase its production of Barramundi and other fin fish in the Cone Bay region from 2,000 tonnes to 15,000 tonnes. These and other intangible assets of the Company are not recognised in the financial records of the Company but provide significant additional value over and above the NTA.

Value may be better reflected when and if current growth constraints are funded

The Company has invested (or reinvested) significant funds in infrastructure and operations. A continued investment to scale the business to an appropriate level may result in Shareholders achieving higher returns than the current Offer.

- **THE OFFER IS CONSIDERED TO BE REASONABLE BY DESIREE ALLEN AND DAMIEN KELLY**

The Offer is considered by your MPA Directors, Desiree Allen and Damien Kelly to be reasonable for the following reasons:

The Offer comes after a campaign to identify a buyer

In 2017, the corporate adviser to the Company, Argonaut, was given a 5-month mandate to find investors with a view to making a takeover offer, and with the capacity to cover the funding requirements of the Company, either at its current level or to continue the expansion in order to reach the full 15,000 tonne potential of the existing business. The search for an investor led to an initial non-binding indicative offer from BAPL and (despite interest) did not result in any formal, non-binding indicative offers from any other parties. The indicative offer was accepted, and a 3-month due diligence period agreed to, on the proviso that BAPL would place an order and prepay for \$2 million of product. Due diligence work was undertaken and resulted in a significant adjustment to the indicative offer.

There is considerable commercial competition

MPA has faced intense price competition from local barramundi suppliers and imported product in the Australian market, which has seen its average selling price decrease by approximately 5% over the past 2 years. Market prices by domestic competitors (which have also decreased) are currently sitting a further 20% below MPA's prices (and usually have been substantially lower than MPA's prices). In order for MPA to maintain and increase sales volume, we believe there may be a need to further reduce MPA's sales prices and/or undertake significant new (and costly) marketing campaigns, which would take time to impact on sales and the effects of which could not be predicted with certainty. Without any change in the country of origin labelling laws in Australia, the intense competition in the domestic market due to imports will likely continue.

The development of MPA's export market has been very slow, and currently only small volumes of fish are being sold internationally. MPA understands that BAPL has the capacity to reach the international sales pathways which are required by MPA. Being able to tap into these international sales channels would fast track MPA's development and expansion and bring about a significant uplift in export sales. Barramundi is grown at low cost in much of Asia, and thus there needs to be an educational process where international consumers understand the difference between an Australian ocean grown 4kg barramundi, and an Asian

pond farmed fish, before the international market will accept the higher price of Australian barramundi.

Operating costs currently exceed operating revenue

MPA's average monthly costs to grow and maintain approximately 3,000 tonnes of fish in the waters are relatively stable, with approximately half of that cost being the fish feed. At the present time revenue is approximately 50% of current costs and without significant increase in sales volume or a reduction in costs, the net working capital deficiency will be substantial and significant new capital will be required to fund operations.

The Company has made a recent half year loss and is expected to make a full year loss

The Company incurred a loss in excess of \$5m in for the half year to December 2017 and is expecting to make a loss of at least that amount for the full financial year to 30 June 2018.

The Company requires additional capital equipment to execute its business model

MPA is operating in a capital-intensive industry where it invests heavily in farm equipment to support and grow its fish biomass. This includes feeding and cleaning equipment, new and improved sea cages to achieve significant efficiency at the farm. Capital expenditure spending in the last 2 years was \$2 million to \$2.4 million respectively. This capital was largely to support the expansion of the farm biomass, and any further expansion would require at least that level of investment. Current capital expenditure requirements to maintain the biomass at approximately 3,000 tonnes may be less than previous, but additional cages, feed equipment and cleaning equipment have been identified as necessary even at this current level so a need for a similar amount of capital expenditure could reasonably be expected in the foreseeable future.

The Company has logistical challenges that remain unresolved

MPA operates in a remote part of Australia and faces a number of logistics challenges. Tenure on the current operational base at Turtle Island is subject to significant uncertainty, and despite being found to have shown "good faith" in the negotiation with the Mayala people around the establishment of an operational base at Barnicoat Island, this process remains subject to continued uncertainty in terms of timing and ultimate outcome. MPA has also been considering or pursuing other alternatives, the outcomes and timings of which are also uncertain, and any new operational base will require significant, new capital expenditure, which will also require further funding.

The Offer is a cash offer to existing Shareholders available for acceptance

The Offer is a cash offer and therefore Shareholders carry no risk associated with the ongoing operations of the business.

The Directors believe that BAPL will not increase its price

The Company negotiated for an extended period of time to get the best terms and conditions possible in relation to the Offer. The Directors are of the opinion that BAPL will not offer additional consideration.

- **THE OFFER IS CONSIDERED TO BE NOT REASONABLE BY MILES KENNEDY**

The Offer is considered by your Director, Miles Kennedy to be not reasonable for the following reasons:

Shareholders will lose any exposure to any upside in MPA

The Company operates in a dynamic industry expected to grow based upon the need for high value protein in expanding countries across the Asian region. By accepting the all-cash offer Shareholders will lose any opportunity to benefit from the continued growth of MPA in the future.

Advertising of the sale process not sufficient

Mr Kennedy considers that, based on how events have unfolded, and despite what was decided or advocated for at the beginning of and during the process for putting MPA “up for sale”, the sale process should have been conducted in a shorter time frame and via a more widely advertised process. The process originally agreed by the Board aimed for a discreet process to be completed by the end of 2017. The basis for a short time frame was to seek to ensure that:

- (a) the Company could move forward with alternative funding plans if the sale process did not achieve a fair value exit for shareholders; and
- (b) the fact that a sale process would be kept discreet, as to engage in a long-term or more public process could harm the business conducted by MPA.

A longer and possibly more-widely known (within Australian industry at least) process transpired for various reasons (with knowledge of the Board) but without the competitive tension that Mr Kennedy believes would have developed had a more public sale or investment-seeking process been adopted from the start or otherwise initiated earlier in the sale process.

In addition to this, Mr Kennedy considers that exclusivity arrangements agreed to by MPA during the process have had the effect of reducing the field of potential bidders.

Loss of key staff

Mr Kennedy considers that MPA lost at least one senior manager due to the uncertainty created during discussions with BAPL, which affected the business operations of the Company. Mr Kennedy also considers that the uncertainty of the sale process may have been a factor in at least one other senior manager's departure.

- **THE OFFER PROVIDES INCREASED CERTAINTY OF VALUE FOR MPA SHAREHOLDERS**

The cash component of the Offer provides certainty of value for 100% of the consideration.

The cash consideration provides greater certainty of value compared to the uncertainty of holding MPA Shares, particularly given the funding challenges that face MPA as set out above.

- **THE OFFER PROVIDES FUNDING FOR MPA IF IT ACHIEVES THE MINIMUM ACCEPTANCE LEVEL OF 70% (BY NUMBER)**

Under the Bid Implementation Agreement, BAPL has agreed to provide a loan in the amount of \$2 million (**Principal Sum**) to MPA on the following key terms:

- (a) the amount of \$1,000,000 may be drawn down in whole or instalments by MPA giving 3 business days written notice to BAPL of the amount it intends to draw at any time after the receipt of acceptances of the Bid giving BAPL a Relevant Interest in at least 70% (by number) of all of the MPA Shares including the MPA Shares in which the MPA Board have a Relevant Interest;
- (b) the additional amount of \$1,000,000 may be drawn down in whole or instalments by MPA giving 3 business days written notice to BAPL of the amount it intends to draw at any time after the Bid is declared unconditional by BAPL;
- (c) the loan is for a term of 12 months from the date of the Bid Implementation Agreement (**Loan Term**);
- (d) MPA will repay the Principal Sum at the end of the Loan Term;
- (e) MPA may prepay the Principal Sum in whole or in part before end of the Loan Term;
- (f) MPA will pay to BAPL interest on the outstanding balance of the Principal Sum calculated at the rate of 5.6% on an annual basis, and shall pay to BAPL all interest accrued at the end of the Loan Term;
- (g) at the option of BAPL, the outstanding balance of the Principal Sum will become due and payable by MPA to BAPL 10 Business Days after a written demand is made by BAPL to MPA, despite any previous delay or waiver by BAPL, if:
 - (i) MPA breaches any provision of this document; or
 - (ii) the Bid is not successfully implemented pursuant to the terms of the Bid Implementation Agreement.
- (h) a nominee of BAPL is to be appointed as a signatory to all payments by MPA and will jointly authorise the payment of all invoices, the consent to the payment not to be withheld if the payments are in the ordinary course of business.

The Loan provides MPA with funding in the short term and, at a minimum, in the amount of \$1 million on the minimum acceptance condition being satisfied.

- **NO SUPERIOR PROPOSAL HAS EMERGED**

As at the date of this Target's Statement, MPA has not received any alternative proposal from any party intending to make a Superior Proposal and your MPA Directors are not aware of any other offer or proposal which might be made as an alternative to the Offer. Should such a proposal arise, your Directors will reconsider their recommendations and inform you accordingly.

- **THERE ARE OTHER RISKS IN NOT ACCEPTING THE OFFER**

If the Offer is unsuccessful and no other offers emerge, MPA's Share value may fall, leaving MPA Shareholders exposed to the ongoing risks associated with an investment in MPA. In particular:

- MPA Shareholders will have full exposure to the ongoing risks associated with MPA's existing projects (including some of the reasons why Desiree Allen and Damien Kelly consider the Offer to be reasonable as set out above);
- there is a strong probability that MPA will have to raise additional funds to fund its operations and working capital potentially through an issue of equity at a discount to the current value of MPA Shares, which could dilute your investment in MPA; and
- there is no certainty that the additional funding will be raised.

If you do not accept the Offer and the Offer becomes Unconditional:

- there will remain no liquidity in MPA Shares and the ability to exit your investment is limited; and
- BAPL may be entitled to acquire your MPA Shares through compulsory acquisition (see Section 3.14 of this Target's Statement).

Further details on the risks associated with not accepting the Offer are set out in Section 8.2 of this Target's Statement.

If you retain your MPA Shares, you will continue to be exposed to the risks associated with being an MPA Shareholder. A non-exhaustive summary of such risks are set out in Section 8.3 of this Target's Statement.

MPA Shareholders should note that there are also risks associated with accepting the Offer. Details on the risks associated with accepting the Offer are contained in Sections 8.1 and 8.2 of this Target's Statement.

In considering whether to accept the Offer, the MPA Directors encourage you to:

- (a) read and carefully consider the whole of this Target's Statement and the Bidder's Statement;
- (b) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- (c) obtain independent advice from your investment, financial, tax or other professional adviser on the effect of accepting the Offer.

2. FREQUENTLY ASKED QUESTIONS

In this Section answers are provided to some commonly asked questions about the Offer. This Section should be read together with the rest of this Target's Statement. This Section is not intended to comprehensively answer all questions that may arise in relation to the Offer nor address all issues that are relevant to MPA Shareholders.

| The Offer | |
|---|---|
| <i>What is the Bidder's Statement?</i> | The Bidder's Statement is the document setting out the terms of the Offer. BAPL lodged the Bidder's Statement with ASIC on 29 May 2018. |
| <i>What is the Target's Statement?</i> | This Target's Statement has been prepared by MPA and provides MPA's response to the Offer, including the recommendation of your MPA Directors. |
| <i>Who is offering to purchase my MPA Shares?</i> | <p>BAPL is a private company based in Singapore founded in 2007 and has been granted the only two fish farming licences in the Southern waters of Singapore. BAPL's vision is to become the world's largest supplier of fresh sustainable Barramundi.</p> <p>Information in relation to BAPL can be obtained from Section 3 of the Bidder's Statement and BAPL's website at www.barramundi.asia.</p> |
| <i>What is being offered to me?</i> | <p>BAPL is offering \$0.50 cash for each MPA Share held by you.</p> <p>You may only accept the Offer in respect of all of the MPA Shares held by you.</p> |
| <i>What are the MPA Directors recommending?</i> | <p>The MPA Directors make no recommendation in respect of the Offer other than as set out in Section 1 of this Target's Statement and their consideration of the Offer is also set out in Section 1 of this Target's Statement.</p> <p>You are encouraged to read the Bidder's Statement and Target's Statement in full and to consider the Offer having regard to your personal circumstances. The MPA Directors encourage you to seek your own independent financial and taxation advice prior to deciding whether to accept the Offer.</p> |
| <i>What do the Directors intend to do with their MPA Shares?</i> | <p>Each MPA Director who holds or controls Shares intends to accept or procure the acceptance of the Offer in respect of the Shares they own or control, in the absence of a Superior Proposal.</p> <p>Refer to Section 1 of this Target's Statement.</p> |
| <i>What does the Offer mean for MPA's projects?</i> | <p>If successful, MPA will be at least 70% owned by BAPL and will benefit from BAPL's strong balance sheet and experienced management team. BAPL intends to run MPA as a going concern and retain all operational staff.</p> <p>Refer to Section 6.1 of the Bidder's Statement.</p> |

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| <p>What will be the role of MPA Directors in MPA?</p> | <p>No MPA Director has been offered a position on the BAPL board. On this basis, the Combined Entity will be managed by the existing board and management of BAPL.</p> <p>Refer to Section 6.2 of the Bidder's Statement.</p> |
| <p>When will I receive payment if I accept the Offer?</p> | <p>Provided you have validly accepted the Offer, and subject to the Conditions being fulfilled or waived by BAPL, you will receive the consideration to which you are entitled on acceptance of the Offer on the earlier of:</p> <ul style="list-style-type: none"> • one month after the Offer is accepted by you, or if the Offer is subject to the Conditions at the time the Offer has been validly accepted by you, one month after the Offer becomes Unconditional; and • 21 days after the end of the Offer Period. • Refer to Section 3.12 of this Target's Statement. |
| <p>What happens if BAPL increases the Offer?</p> | <p>If BAPL improves the Offer Price during the Offer Period, any Shareholder who had previously accepted the Offer will be entitled to receive the improved Offer Price.</p> <p>Refer to Section 3.13 of this Target's Statement.</p> |
| <p>What are the conditions to the Offer?</p> | <p>The Offer is subject to the following conditions:</p> <ul style="list-style-type: none"> • minimum acceptance of at least 70% of all the fully paid ordinary shares in the capital of MPA; • no Material Adverse Change; • no Prescribed Occurrences; • no regulatory intervention; • no material acquisitions or disposals; • agreement from MPA Optionholders to cancel or transfer their Options; • the warranties provided by MPA under the Bid Implementation Agreement remain true and correct; • no material breach of the Bid Implementation Agreement; and • other standard conditions for a transaction of this type. <p>This is a summary only. The Conditions to which the Offer is subject are set out in full in Section 9.2 of the Bidder's Statement and summarised at Section 3.6 of this Target's Statement.</p> <p>BAPL will declare the Offer unconditional immediately after it has received acceptances to satisfy the minimum acceptance condition of 70%.</p> |
| <p>When does the Offer close?</p> | <p>The Offer is presently scheduled to close at 5:00pm (Perth time) on 2 July 2018 (unless extended).</p> <p>Section 3.9 of this Target's Statement provides further details regarding the circumstances in which the Offer Period may be extended.</p> |

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| <p>What happens if the conditions are not satisfied or waived?</p> | <p>The Conditions are conditions subsequent. The non-fulfilment of a condition subsequent does not, until the end of the Offer Period, prevent a contract to sell your MPA Shares from arising, but it does entitle BAPL by written notice to you to rescind the contract resulting from your acceptance of the Offer. If a Condition is not satisfied, it may be waived by BAPL subject to the terms of the Bid Implementation Agreement.</p> <p>Refer to Section 3.7 of this Target's Statement.</p> |
| <p>What happens if I accept the Offer now?</p> | <p>If you accept the Offer now, while it is conditional, you will give up your rights to sell your MPA Shares or otherwise deal with them (for example, by accepting a Superior Proposal if one was to emerge) unless the limited withdrawal rights apply at the applicable time and you validly withdraw your acceptance.</p> <p>Refer to Section 3.10 of this Target's Statement.</p> |
| <p>When will BAPL advise as to the status of the conditions?</p> | <p>Section 9.3 of the Bidder's Statement indicates that the Bidder will give a Notice of Status of Conditions in accordance with section 630(1) of the Corporations Act.</p> <p>Refer to Section 3.8 of this Target's Statement.</p> |
| <p>Can BAPL extend the Offer?</p> | <p>BAPL may extend the Offer at any time but only if within the period of 1 month after the date of the Offer, BAPL has received acceptances giving BAPL a Relevant Interest in at least 70% of all of the ordinary shares of MPA and the Offer has been declared unconditional, other than with the prior written approval of MPA.</p> <p>In addition, there will be an automatic extension of the Offer Period, if within the last 7 days of the Offer Period:</p> <ul style="list-style-type: none"> • BAPL improves the consideration offered under the Offer; or • BAPL voting power in MPA increases to more than 50%. <p>If either of these two events occurs, the Offer Period will be automatically extended so that it ends 14 days after the relevant event occurs.</p> <p>Refer to Section 3.9 of the Target's Statement.</p> |
| <p>Does MPA expect a competing offer?</p> | <p>It is not the MPA Board's role to speculate on the likelihood of a competing offer.</p> <p>The Bid Implementation Agreement contains customary "no shop" and "no talk" provisions in relation to competing offers after the Bid is unconditional.</p> <p>If a competing offer emerges, the MPA Board will deal with it at the time and update shareholders accordingly.</p> <p>Refer to Section 3.13 of this Target's Statement.</p> |

| Options for MPA Shareholders | |
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| <i>What choices do I have as a Shareholder?</i> | <p>As a Shareholder, you have the following choices in respect of your Shares:</p> <ul style="list-style-type: none"> • accept the Offer in respect of all of your MPA Shares; • sell your MPA Shares to a third party; or • do nothing in relation to the Offer. <p>If you have already sold all your MPA Shares, no action is required.</p> <p>Refer to Section 5 of this Target's Statement.</p> |
| <i>When do I have to decide?</i> | <p>If you wish to accept the Offer you need to do so before its scheduled closing date. BAPL has stated that its Offer is scheduled to close at 5:00pm (Perth time) on 2 July 2018, unless it is extended.</p> <p>If you wish to reject the Offer, you do not need to do anything.</p> <p>Refer to Section 5 of this Target's Statement.</p> |

| How to respond to the Offer | |
|---|---|
| <i>How do I accept the Offer?</i> | <p>To accept the Offer, you should follow the instructions set out on the Acceptance Form that accompanies the Bidder's Statement.</p> <p>You may only accept the Offer in respect of all of the MPA Shares held by you.</p> |
| <i>What should I do if I did not receive or have misplaced my Acceptance Form?</i> | <p>If you have not received your Acceptance Form or have misplaced it, call the Company Secretary on +618 9381 4483 at any time between 8:30am and 5pm (WST) on Monday to Friday.</p> |
| <i>How do I reject the Offer?</i> | <p>To reject the Offer, you should do nothing.</p> <p>If you decide to do nothing, you should be aware of the rights of BAPL to compulsorily acquire your Shares in certain circumstances.</p> <p>See Section 3.14 of this Target's Statement for more details in relation to compulsory acquisition.</p> |
| <i>Can I accept the Offer for part of my shareholding?</i> | <p>No. You cannot accept the Offer for part of your shareholding. You may only accept the Offer made to you for all of the MPA Shares held by you.</p> |
| <i>What are the consequences of accepting the Offer?</i> | <p>If you accept the Offer you will receive \$0.50 cash for each MPA Share you hold.</p> <p>Refer to Sections 3.2 and 3.10 of this Target's Statement.</p> |
| <i>If I accept the Offer now, can I withdraw my acceptance?</i> | <p>You may withdraw your acceptance only if BAPL varies the Offer in a way that postpones the time when BAPL is required to satisfy its obligations by more than 1 month.</p> |

| | |
|---|--|
| | Further details on your ability to withdraw your acceptance are set out in Section 3.10 of this Target's Statement. |
| What happens if I do nothing? | <p>You will remain an MPA Shareholder. However, BAPL has stated that if it becomes entitled to compulsorily acquire MPA Shares, it intends to do so.</p> <p>If you do not accept the Offer and BAPL acquires a relevant interest in at least 90% of MPA Shares and the Conditions of the Offer are satisfied or waived, BAPL intends to proceed to compulsorily acquire your MPA Shares.</p> <p>If you do not accept the Offer and BAPL does not acquire a relevant interest in at least 90% but above 70% of MPA Shares and the Offer becomes unconditional, you will remain an MPA shareholder. You may be left holding MPA Shares with limited liquidity and with BAPL as the controlling shareholder of MPA.</p> <p>Refer to Sections 3.15, 3.16 and 5 of this Target's Statement and Section 6.6 of the Bidder's Statement.</p> |
| Can I be forced to sell my shares? | <p>You cannot be forced to sell your MPA Shares unless BAPL acquires a Relevant Interest in at least 90% of all MPA Shares.</p> <p>BAPL's intentions with respect to compulsory acquisition are set out in section 1 of the Bidder's Statement in that the Offer is for 100% of the Company. If BAPL becomes entitled to do so under the Corporations Act, it may give notices to compulsorily acquire any outstanding MPA Shares in accordance with section 661B of the Corporations Act.</p> <p>Refer to Sections 3.15, 3.16 and 5 of this Target's Statement.</p> |

| General Matters | |
|---|--|
| What are the tax implications of accepting the Offer? | <p>A general outline of the tax implications of accepting the Offer is set out in section 7 of the Bidder's Statement.</p> <p>As the outline is general in nature, you should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the offer.</p> <p>Refer to Section 3.18 of this Target's Statement.</p> |
| Do I pay brokerage if I accept? | No brokerage or stamp duty will be payable as a result of your acceptance of the Offer. |
| If I have further questions in relation to the Offer, what can I do? | Please call the Company Secretary on +61 8 9381 4483 at any time between 8:30am and 5pm (WST) on Monday to Friday, or you can speak to your financial or other professional adviser. |

3. DETAILS OF THE OFFER

3.1 Background to the Offer

On or about 13 May 2018, MPA and BAPL entered into the Bid Implementation Agreement under which BAPL agreed to make an off-market takeover offer for all of the MPA Shares.

You should have received the Bidder's Statement from BAPL with this document, containing the full terms and conditions of the Offer, together with other information material to your decision whether or not to accept the Offer.

3.2 The Offer

BAPL will offer \$0.50 cash for each MPA Share held.

3.3 MPA Director Recommendations

MPA Directors, Desiree Allen and Damien Kelly consider that the Offer is **NOT FAIR BUT REASONABLE** and otherwise make no recommendation in respect of the Offer.

MPA Director, Miles Kennedy considers that the Offer is **NOT FAIR AND NOT REASONABLE** and otherwise makes no other recommendation in respect of the Offer.

Section 1 of this Target's Statement includes matters for MPA Shareholders to consider in assessing the Offer.

3.4 Directors' intentions in relation to the Offer

Each of the MPA Directors who holds a Relevant Interest in MPA Shares have indicated their intention to accept, or procure the acceptance of, the Offer in respect of the MPA Shares that they, or their Associates, own or control or otherwise have a Relevant Interest in, subject to there being no Superior Proposal.

3.5 BAPL intentions

See Section 6 of the Bidder's Statement for a summary of BAPL's intentions following completion of the Offer.

3.6 Offer Conditions

The Offer is subject to a number of Conditions which are set out in full in Section 9.2 of the Bidder's Statement.

In summary, the Conditions of the Offer are:

(a) **70% minimum acceptance**

At the end of the Offer Period, BAPL has a Relevant Interest in at least 70% of the MPA Shares on issue;

(b) **No Material Adverse Change**

Between the date of the Bid Implementation Agreement and the end of the Offer Period (each inclusive), no Material Adverse Change occurs.

(c) **No Prescribed Occurrences**

During the period from the date of the Bid Implementation Agreement to the end of the Offer Period, no Prescribed Occurrence occurs.

(d) **No restraints or regulatory intervention**

Between the date of the Bid Implementation Agreement and the end of the Offer Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Regulatory Authority;
- (ii) no action or investigation is announced, commenced or threatened by any Regulatory Authority; and
- (iii) no application is made to any Regulatory Authority (other than by BAPL, an application under section 657C of the Corporations Act, or an application commenced by a person specified in section 659B of the Corporations Act in relation to the Offer),

in consequence of or in connection with the Offer which restrains, prohibits or threatens to restrain, prohibit or impact upon, the making of the Offer or the objectives of the Offer or seeks to require the divesture by BAPL of any MPA Shares, or the divesture of any assets of MPA.

(e) **No material acquisitions or disposals**

During the period from the date of the Bid Implementation Agreement to the end of the Offer Period, none of the following events occur;

- (i) MPA or any of its subsidiaries acquires or agrees to acquire any assets, properties or businesses, or incurs, or agrees to incur or enters into a commitment or a series of commitments involving capital expenditure, where the amounts of value involved exceed \$50,000 in aggregate;
- (ii) MPA or any of its subsidiaries disposes of, or agrees to dispose of, any assets, properties or business, whether in one transaction or a number of such transactions where the amount or value involved in such transaction or transactions exceeds \$25,000 in aggregate;
- (iii) MPA or any of its subsidiaries creates, or agrees to create, any mortgage, charge, lien or other encumbrance over its business or any part of its property where the value of the assets or property secured or affected by such encumbrance exceeds \$25,000; or
- (iv) MPA or any of its subsidiaries makes any loans, advances or capital contributions to, or investments in, any other person (other than to or in MPA or any wholly-owned subsidiary of MPA in the ordinary course of business).

(f) **MPA Options**

All holders of Options have agreed with BAPL and MPA in writing subject to and simultaneously upon the completion of the Offer and otherwise on

terms and conditions acceptable to BAPL, to cancel or transfer (as the case may be) all their Options for consideration per Option not exceeding the aggregate of the difference between the cash consideration and the exercise price of the Option.

(g) **MPA Warranties**

During the period from the date of the Bid Implementation Agreement to the end of the Offer Period, the MPA warranties are to remain true and correct in all material respect.

Subject to the Corporations Act, BAPL may declare the Offer to be free from any Condition other than the minimum acceptance condition. This minimum acceptance condition may not be waived unless BAPL has received acceptances giving BAPL a Relevant Interest in at least 70% of the MPA Shares, other than with the prior written approval of MPA. BAPL will declare the Offer unconditional immediately after it has received acceptances to satisfy this minimum acceptance condition.

3.7 Consequence of Conditions not being satisfied

The Conditions are conditions subsequent. The non-fulfilment of a condition subsequent does not, until the end of the Offer Period, prevent a contract to sell your MPA Shares from arising, but it does entitle BAPL by written notice to you to rescind the contract resulting from your acceptance of the Offer. If a Condition is not satisfied, it may be waived by BAPL, subject to the terms of the Bid Implementation Agreement.

Therefore, if a Condition is unsatisfied (subject to the Bid Implementation Agreement and BAPL receiving a Relevant Interest in at least 70% of the MPA Shares), BAPL may elect to waive the Condition and proceed with the acquisition of MPA Shares under its Offer or allow the Offer to lapse with unsatisfied Conditions.

Generally, BAPL will not have to decide whether to proceed with the acquisition of MPA Shares under its Offer until the date that it is required to provide its notice of status of Conditions which, as outlined in Section 3.8 of this Target's Statement, can be postponed if the Offer Period is extended.

As at the date of this Target's Statement, MPA is not aware of any event having occurred which would cause any of the Conditions not to be fulfilled.

3.8 Notice of status of Conditions

BAPL has indicated in Section 9.3 of the Bidder's Statement that it will give a notice of the status of the Conditions on 25 June 2018.

The Corporations Act requires that such notice state:

- (a) whether the Offer is free from Conditions;
- (b) whether the Conditions have been fulfilled as at the date of the notice; and
- (c) the voting power of BAPL in MPA.

If the Offer Period is extended before the date the notice is required to be given, the date that BAPL must give its notice is taken to be postponed for the same

period. In this case, BAPL is required, as soon as reasonably practicable after the extension, to notify MPA of the new date for giving the notice.

If a Condition is fulfilled (so that the Offer becomes free of that Condition) during the Offer Period but before the date on which the notice of status of conditions is required to be given, BAPL must, as soon as practicable, give MPA a notice that states that the particular Condition has been fulfilled.

3.9 Offer Period and extension

Unless the Offer is extended, it is open for acceptance until **5:00pm (Perth time) on 2 July 2018** (unless extended). You should not assume that the Offer Period will be extended.

BAPL may extend the Offer at any time but only if within the period of 1 month after the date of the Offer, BAPL has received acceptances giving BAPL a Relevant Interest in at least 70% of all of the ordinary shares of MPA and the Offer has been declared unconditional, other than with the prior written approval of MPA.

In addition, if the events set out in section 624(2) of the Corporations Act occur within the last seven days of the Offer Period, the Offer Period will be automatically extended so that it ends 14 days after that event.

3.10 Effect of accepting the Offer and rights of withdrawal

Accepting the Offer would (subject to the withdrawal rights discussed below):

- (a) prevent you from accepting any higher takeover bid that may be made by a third party or any alternative transaction proposal that may be recommended by the Board;
- (b) relinquish control of your MPA Shares to BAPL with no guarantee of payment until the Offer becomes, or is declared, Unconditional – and as the Offer Period could be extended by BAPL, this could result in further delays in payment; and
- (c) give BAPL the option to keep your MPA Shares (if the Conditions of its Offer are not satisfied (i.e. by waiving the Conditions)) or return your MPA Shares.

If you accept the Offer, you will have a right to withdraw your acceptance in some circumstances. Those withdrawal rights comprise general statutory withdrawal rights under the Corporations Act. In summary:

- (a) under the Corporations Act, you may withdraw your acceptance of the Offer if BAPL varies the Offer in a way that postpones, for more than one month, the time when BAPL needs to meet its obligations under the Offer and the Offer is still subject to one or more Conditions. This will occur if BAPL extends the Offer Period by more than one month while the Offer is still subject to any of the Conditions; and
- (b) in those circumstances, you will have one month after the date that notice of the extension is given to MPA to withdraw your acceptance. Your statutory withdrawal rights will terminate on the expiry of that one month, although if the Offer Period is then further extended you may receive further statutory withdrawal rights.

If you become entitled to withdraw your acceptance, you will be sent a notice from BAPL, explaining your rights in this regard.

3.11 Lapse of Offer

The Offer will lapse if the Conditions are not satisfied or waived by the end of the Offer Period. In that event, all contracts resulting from acceptances of the Offer, and all acceptances that have not resulted in binding contracts, will be void and you will be free to deal with your MPA Shares as you see fit.

3.12 When you will receive the Offer Price if you accept the Offer

BAPL has set out in Section 9.7 of the Bidder's Statement the timing of the provision of the consideration to MPA Shareholders who accept the Offer. In general terms, provided you have validly accepted the Offer, and subject to the Conditions being fulfilled or waived by BAPL, you will receive the consideration to which you are entitled on acceptance of the Offer on the earlier of:

- (a) one month after the Offer is accepted, or if the Offer is subject to the Conditions at the time the Offer has been validly accepted by you, 1 month after the Offer becomes Unconditional; and
- (b) 21 days after the end of the Offer Period.

3.13 Increased Offer Price

BAPL has declared that the Offer Price is final and will not be increased, in the absence of a competing proposal.

However, if there is a competing proposal and BAPL improves the Offer Price during the Offer Period, any Shareholder who had previously accepted the Offer will be entitled to receive the improved Offer Price.

3.14 Compulsory acquisition

An overview of BAPL's rights to compulsorily acquire MPA Shares is set out below.

3.15 Post-bid compulsory acquisition

BAPL will be entitled, under section 661A of the Corporations Act, to compulsorily acquire any MPA Shares in respect of which it has not received an acceptance of the Offer on the same terms as the Offer if, during or at the end of the Offer Period, BAPL (together with its Associates) has a Relevant Interest in at least 90% (by number) of the MPA Shares and BAPL and its Associates have acquired at least 70% (by number) of the MPA Shares that BAPL offered to acquire under the Offer (whether the acquisitions happened under the bid or otherwise).

If these thresholds are met, BAPL will have up to one month after the end of the Offer Period within which to give compulsory acquisition notices to MPA Shareholders who have not accepted the Offer. MPA Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant MPA Shareholder to establish to the satisfaction of a Court that the consideration offered does not represent "fair value" for their MPA Shares.

If compulsory acquisition occurs, MPA Shareholders who have their MPA Shares compulsorily acquired will be paid their consideration later than the MPA Shareholders who accept the Offer.

3.16 General compulsory acquisition provisions

BAPL will be entitled, under section 664A of the Corporations Act, to compulsorily acquire any outstanding MPA Shares and MPA Options if BAPL's voting power in MPA is at least 90% and BAPL (either in its own right or through related bodies corporate) acquires full beneficial interests in at least 90% (by value) of the aggregate of all MPA Shares and MPA Options and:

- (a) BAPL lodges a compulsory acquisition notice with ASIC within six months of achieving that 90% holding;
- (b) BAPL proposes a cash sum for the compulsory acquisition of the MPA Shares and MPA Options; and
- (c) BAPL obtains the report of an expert stating whether, in the expert's opinion, the terms proposed in the notice give fair value of the securities covered.

3.17 Further developments

Should there be any developments during the Offer Period (for example, the emergence of a Superior Proposal from another bidder) which would alter the MPA Directors' recommendations in relation to the Offer, MPA Shareholders will be notified through a supplementary Target's Statement.

3.18 Taxation Consequences

In making a decision whether to accept the Offer, MPA Shareholders should also have regard to the fact that the disposal of MPA Shares may have taxation consequences. MPA Shareholders should carefully read and consider the potential Australian taxation consequences of accepting the Offer as set out in Section 7 of the Bidder's Statement.

3.19 Options Offer

The Options must be cancelled or transferred as a condition of the Offer as set out in the condition in Section 3.6(f) of this Target's Statement.

4. OFFER CONSIDERATIONS

4.1 Possible reasons not to accept the Offer

This Section 4.1 sets out key reasons why Shareholders may decline to accept the Offer.

(a) **You may disagree with the assessment of the Offer and the comments of the MPA Directors**

You may hold a different view to the MPA Directors and believe that the Offer Price of \$0.50 per Share is inadequate. You are referred to Section 1 of this Target's Statement for that assessment.

(b) **You may wish to remain an MPA Shareholder**

If you accept the Offer, you will no longer be entitled to participate in the future financial performance of MPA or exercise the rights (including voting rights) of being an MPA Shareholder.

(c) **The tax consequences of acceptance of the Offer may not be favourable to you given your financial position**

Acceptance of the Offer by MPA Shareholders is likely to have tax implications. You should carefully read and consider the potential Australian taxation consequences of accepting the Offer as summarised in Section 7 of the Bidder's Statement.

MPA Shareholders should not rely on the taxation considerations set out in Section 7 of the Bidder's Statement as being advice on their own affairs. MPA Shareholders should consult with their own independent taxation advisers regarding the taxation implications of accepting the Offer given their particular circumstances.

(d) **You may consider that there is the potential for a proposal superior to the Offer to be made for MPA Shares**

It is possible that a proposal superior to the Offer could materialise in the future. However, as at the date of this Target's Statement, no alternative proposal has been received.

4.2 Risks associated with accepting the Offer

Details on the risks associated with accepting the Offer are contained in Sections 8.1 and 8.2 of this Target's Statement.

5. YOUR CHOICES AS A SHAREHOLDER

As an MPA Shareholder you have three choices currently available to you:

- (a) accept the Offer;
- (b) sell your MPA Shares; or
- (c) do nothing.

In considering whether to accept the Offer, the MPA Directors encourage you to read this Target's Statement and seek professional advice if you are unsure as to whether or not accepting the Offer is in your best interests, taking into account your individual circumstances.

The Bidder's Statement contains important information which you are urged to read carefully. MPA has not undertaken investigations to verify the accuracy or completeness of the information contained in the Bidder's Statement and neither MPA nor its MPA Directors or advisers makes any representation as to the accuracy or completeness of information contained in the Bidder's Statement. To the fullest extent permitted by law, each of those parties disclaims liability to any person who acts in reliance of that information.

During the Offer Period you have the following choices:

- **ACCEPT THE OFFER**

MPA Shareholders may elect to accept the Offer in respect of their MPA Shares. MPA Shareholders will receive \$0.50 cash consideration for each MPA Share for which a valid acceptance has been received.

To accept the Offer, follow the instructions on the Acceptance Form which accompanies the Bidder's Statement.

- **SELL YOUR MPA SHARES**

During the Offer Period, you may sell all or some of your MPA Shares, provided you have not already accepted the Offer for those MPA Shares. If you sell any of your MPA Shares, you may receive the agreed consideration for your MPA Shares sooner than if you accept the Offer.

If you sell any or all of your MPA Shares, you:

- (i) will lose the ability to accept the Offer in respect of those MPA Shares;
- (ii) may be liable for capital gains tax or income tax on the sale of those MPA Shares;
- (iii) may incur a brokerage fee; and
- (iv) will lose the opportunity to receive any future returns from MPA in respect of those MPA Shares, if the Offer is not successfully completed.

You should note that MPA Shares are illiquid and there is no ready market for them.

If you are considering selling your MPA Shares, you should contact your tax adviser to determine your tax implications from such a sale.

Please note that you cannot sell your MPA Shares if you have accepted the Offer and have not validly withdrawn your acceptance.

- **DO NOTHING**

MPA Shareholders who do not wish to accept the Offer or sell their MPA Shares can do nothing.

MPA Shareholders should note that if BAPL acquires a Relevant Interest in at least 90% of the MPA Shares during or at the end of the Offer Period, BAPL has indicated that it intends to compulsorily acquire the MPA Shares in which it has not acquired a Relevant Interest. In that situation, you may be paid for your MPA Shares later than MPA Shareholders who accept the Offer.

6. INFORMATION RELATING TO MPA

6.1 Overview of MPA

MPA is involved in the seafood and aquaculture industry including farming of finfish (barramundi) in sea cages out of Cone Bay in the Kimberley, Western Australia. Its objective is to continue to be a sustainable low-cost producer of premium quality white fleshed finfish for the domestic and international markets.

6.2 History of MPA

MPA first trialled sea cage farming more than 12 years ago and has built its operations into the only ocean cage barramundi farm in Australia. MPA's Cone Bay brand is known across Australia as being synonymous with premium ocean-grown fish. MPA has licensing that allows the production of 15,000 tonnes finfish per annum, which would allow it to become the biggest barramundi producer in the country. Currently stocking over 3,000 tonnes of fish in the pristine waters of the Kimberley, MPA received its BAP sustainability certification in 2017 and remains one of the most sustainable food production systems in Australia.

6.3 Projects

Details of MPA's projects are set out at www.marineproduce.com.

6.4 MPA financial information and project activities

The following table sets out a summary of key financial information in respect of MPA from 2014 to 2017 inclusive:

| | June 2014 (full year) | June 2015 (full year) | June 2016 (full year) | June 2017 (full year) | Dec 2017 (half year) |
|--------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| Net Profit (Loss) (\$ million) | (2.5) | 2.4 | 3.5 | 5.0 | (5.3) |
| Biological Assets (\$ million) | 6.8 | 8.7 | 16.1 | 28.5 | 26.5 |
| Total Assets (\$ million) | 14.0 | 19.3 | 29.2 | 47.0 | 43.4 |
| Total Liabilities (\$ million) | 2.6 | 4.3 | 5.7 | 18.0 | 19.7 |
| Net Assets (\$ million) | 11.4 | 15.0 | 23.5 | 29.0 | 23.7 |
| Net Assets per share (\$) | \$0.48 | \$0.58 | \$0.65 | \$0.80 | \$0.65 |

For full details in respect of the past financial performance of MPA, you are referred to MPA's annual and half year financial reports which can be found at www.marineproduce.com.

6.5 MPA issued capital

As at the date of this Target's Statement, MPA has the following securities on issue:

- (a) 36,508,364 MPA Shares which will increase to 37,008,364 MPA Shares following the issue of 500,000 MPA Shares during the term of the Offer, and which are the subject of the Offer;

- (b) 2,200,000 Options exercisable at \$0.75 each on or before 30 November 2018; and
- (c) 1,200,000 Options exercisable at \$1.00 on or before 30 November 2020.

6.6 MPA Board

(a) Miles Kennedy (Non-Executive Chairman)

Mr Kennedy has held directorships of Australian listed resource companies for over 30 years. He is the non-executive Chairman of Lucapa Diamond Company Limited NL. Mr Kennedy practised as a Barrister and Solicitor of the Supreme Court of Western Australia and the High Court of Australia and as an Attorney of the Supreme Court of South Africa.

(b) Desiree Allen (Managing Director)

Dr Allen joined MPA in 2011 with a strong background in both genetics (animal breeding) and environmental toxicology. She has a Bachelor of Science from Murdoch University (Australia), a Masters in Environmental Biology from the University of North Carolina (USA) and a PhD in Evolutionary Genetics from Indiana University (USA). Prior to joining Marine Produce Australia Limited, Dr Allen was a Research Fellow at the University of Edinburgh (UK).

(c) Damien Kelly (Non-Executive Director)

Mr Kelly is a director of Western Tiger Corporate Advisers, a Perth-based corporate advisory and financial services firm. He has broad corporate and commercial experience spanning over 17 years, providing professional services to ASX and AIM listed companies predominantly in the mining and energy sector. Mr Kelly has an MBA, Bachelor of Commerce, Graduate Diploma in Applied Finance and Investment and is a former officer in the Australian Armed Services, having graduated from the Royal Military College, Duntroon. He is also a Fellow of the Financial Services Institute of Australia and a member of CPA Australia.

6.7 Other material information about MPA

For more information on MPA, please visit www.marineproduce.com.

7. INFORMATION RELATING TO BAPL

7.1 Important notice

The following information about BAPL is based on public information, including information in the Bidder's Statement, and has not been independently verified. Accordingly, MPA does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on BAPL in this Target's Statement should not be considered comprehensive.

For more information on BAPL, please refer to:

- (a) Section 3 of the Bidder's Statement; and
- (b) the website of BAPL, <https://barramundi.asia/about/>.

7.2 Overview of BAPL

BAPL is a Singapore based company founded in 2007 and has been granted the only two fish farming licenses in the Southern waters of Singapore. BAPL operates a farm-to-fork model from hatchery, nursery, sea cage farm, post-harvest processing to an e-commerce platform under its registered Kühlbarra™ brand for a business to consumer and a business to business reach. BAPL's vision is to become the world's largest supplier of fresh sustainable Barramundi. BAPL has also developed and wholly owns a vaccines business and production lab, which develops and supplies proprietary autogenous vaccines for its own and third-party farm operations.

7.3 Operations of BAPL

BAPL is GAP certified and operates its farm at the Raffles Lighthouse and P. Semakau farm site in Singapore and is the only aquaculture operation in the Southern Isles, located away from all other traditional "kelong" fishing operations in Singapore. The currents ensure that the barramundi grow in natural ocean water conditions allowing them to grow into the unique 4-6kg fish that have become a hallmark of Kühlbarra™.

After harvesting, the fish are processed at BAPL's processing facility. Here fish are descaled, gilled, and gutted before filleting in climate-controlled HACCP and BAP certified facility. Depending on the market, products may be vacuum-sealed and packed according to specific import guidelines. Operational and audit measures at BAPL conform to the strict ISO22000 and SS 590 Food Safety and Handling standards. Moreover, cold-chain integrity is maintained throughout the entire process from harvest to the processing facility, ensuring products arrive at BAPL's business to business and business to consumer customers in their freshest state.

7.4 Directors of BAPL

As at the date of this Target's Statement, the directors of BAPL are as follows:

| Director Name | Position |
|-------------------|--------------------------|
| Andrew Kwan | Co-Chairman |
| Hans den Bieman | Co-founder / Co-Chairman |
| David Goh | Board Member |
| Matthew Ridgewell | Board Member |

| | |
|------------------------------|--------------|
| Colonel (Ret.) Wee Hian Woon | Board Member |
| Tristan Sjoberg | Board Member |
| Tan Poh Hong | Board Member |
| Edward Ng | Board Member |
| Joep Staarman | Board Member |
| Julien Halley | Board Member |

For more information on the directors of BAPL, refer to Section 3.4 of the Bidder's Statement.

8. RISK FACTORS

8.1 Risks associated with accepting the Offer

Conditions of the Offer

As described in Section 9.2 of the Bidder's Statement and Section 3.6 of this Target's Statement, the Offer is subject to a number of conditions.

If the conditions of the Offer are not satisfied by the applicable date (or waived by BAPL), the Offer will not be free of conditions and therefore will not proceed.

Limited withdrawal rights

You may only withdraw your acceptance if:

- (a) the conditions of the Offer are not fulfilled or waived by the times specified in the Bidder's Statement; or
- (b) BAPL extends the Offer Period for more than one month and the Offer remains subject to one or more of the conditions at that time (see Section 9.3 of the Bidder's Statement).

Otherwise, you will be unable to withdraw your acceptance even if the value of BAPL varies significantly from the date of your acceptance of the Offer.

If a Superior Proposal is announced you will not be able to withdraw your acceptance of the Offer

If a Superior Proposal is announced, MPA Shareholders who accept the Offer will not be able to withdraw their acceptance of the Offer and accept a Superior Proposal.

At the date of this Target's Statement, the MPA Directors are not aware of any Superior Proposal.

Taxation

A general overview of the tax implication of accepting the Offer for Australian resident MPA Shareholders is set out in Section 7 of the Bidder's Statement.

MPA Shareholders should not rely on the taxation considerations set out in Section 7 of the Bidder's Statement as being advice on their own affairs. Shareholders should consult with their own independent taxation advisers regarding the taxation implications of accepting the Offer given their particular circumstances.

MPA has not independently verified BAPL information

MPA has relied on publicly available information released by BAPL which has not been independently verified by MPA.

8.2 There are other risks in not accepting the Offer

Minority ownership consequences

In Section 6 of the Bidder's Statement, BAPL describes its intentions in the event that it does not become entitled to at least 90% of the MPA Shares.

If the scenario described in Section 6.6 of the Bidder's Statement occurs, MPA Shareholders who do not accept the Offer will become minority shareholders in MPA and those MPA Shareholders will no longer collectively control MPA.

This has a number of possible implications including the following:

- (a) BAPL will be able to cast the majority of votes at a general meeting of MPA enabling it to control the Board and senior management, determine MPA's dividend policy and control the strategic direction of MPA;
- (b) Subject to the requirements of the Corporations Act and MPA's constitution, BAPL may appoint nominees of BAPL to the Board;
- (c) Your MPA Directors believe it is reasonably likely that the liquidity of MPA Shares would be lower than at present if a number of MPA Shareholders accept the Offer; and
- (d) If BAPL acquires 75% or more of the MPA Shares, it will be able to pass special resolutions of MPA. This will enable BAPL to amend MPA's constitution.

There are also risks associated with holding MPA Shares, these are detailed at Section 8.3 of this Target's Statement.

MPA's value may fall

If the Offer is unsuccessful and no other offers emerge, MPA's Share price may fall (although there is no liquid market for MPA Shares) and MPA Shareholders will be exposed to the ongoing risks associated with an investment in MPA. In particular:

- (a) MPA Shareholders will have full exposure to the risks associated with MPA's existing projects; and
- (b) there is a strong probability that MPA will have to raise additional funds potentially through an issue of equity at a discount to the current Offer price of MPA Shares, which could dilute your investment in MPA.

Liquidity

If you do not accept the Offer and the Offer becomes Unconditional liquidity in MPA Shares may be significantly reduced and BAPL may be entitled to acquire your MPA Shares through compulsory acquisition (see Section 3.16 of this Target's Statement).

8.3 Risks associated with holding MPA Shares

If you decide not to accept the Offer and retain your MPA Shares, you will continue to be exposed to the risks associated with being an MPA Shareholder. Holding an MPA Share provides an economic interest in the ongoing operating activities of MPA. However, there is no guarantee that MPA will become profitable in the future as the business is affected by many risk factors.

These may be risks that are widespread risks associated with any form of business or specific risks associated with MPA's business and its involvement in the seafood and aquaculture industry.

The following summary represents some of the major risk factors which affect MPA. These risk factors ought not to be taken as exhaustive of the risks faced by MPA or

by MPA Shareholders. These factors, and others not specifically referred to, may in the future materially affect the financial performance of MPA and the value of MPA Shares. Where relevant, the risk factors below assume the Offer will not be successful and MPA will continue to develop its projects interests.

(a) **Company specific risks**

(i) **Reasons why the Offer is considered reasonable by Desiree Allen and Damien Kelly (as described in Section 1).**

The following matters, described more fully in Section 1 (under the heading "The Offer is considered to be reasonable by Desiree Allen and Damien Kelly"), are some Company specific risks:

- There is considerable commercial competition;
- Operating costs currently exceed operating revenue;
- The Company has made a recent half year loss and is expected to make a full year loss;
- The Company requires additional capital to execute its business model; and
- The Company has logistical challenges that remain unresolved.

(ii) **Future Share price**

The Directors are not in a position to speculate on the future trading price of the MPA Shares, including if the Offer lapses. The future price of MPA Shares is dependent not only on MPA's performance, but also on external market and other factors. Your MPA Shares are illiquid as there is no ready market for them, so your ability to sell them in the future is restricted.

(iii) **Financing and capital**

MPA's continued ability to effectively implement its business plan over time will depend in part on its ability to raise additional funds.

There can be no assurance that MPA will generate sufficient cash flow, or that access to sufficient investments, loans or other financing alternatives will be secured on commercially acceptable terms.

If the Offer is not successful, there is a risk that MPA may not be able to fund its operations, or may only be able to do so on unfavourable terms. Specifically, it is likely that MPA will need to raise funds by way of an equity issue and there is a risk that MPA may not be able to complete such an equity raising, or only do so at a price that represents a significant discount to the then fair value of MPA Shares, which would potentially significantly dilute your interest in MPA.

(iv) **Key contracts**

MPA's success is reliant in part on contractual relationships with third parties. There are a number of risks associated with contracts entered into by MPA, including the risk that those contracts may contain unfavourable provisions, or be terminated, lost or impaired, or renewed on less favourable terms.

(v) **Competition Risk**

The industry in which MPA is involved is subject to domestic and global competition. Although MPA will undertake reasonable due diligence in its business decisions and operations, MPA has no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of MPA's business. An increase in the supply of barramundi from either domestic or international competitors, or increased competition from alternative fish species and food sources could have an adverse effect of the Company's operations and business.

(vi) **Laws, regulations, rules, approvals, licences and permits**

The barramundi industry is subject to a number of Government approvals in the form of licenses and leases and intensity of farming practices. In order to meet the Company's business plan outcomes, the Company will need to be able to control and farm these government approved licenses and leases. A failure to obtain and or maintain such approvals, or significant delays in obtaining new approvals, may limit the Company's ability to meet its business and production goals. In order to validly operate its business, the Company must also comply with its Government licenses and leases. There is no guarantee of the grant of future licenses or leases or the renewal of existing licenses and leases.

(vii) **Environmental Risk**

MPA's operations are subject to Government environmental legislation. There is no assurance that the MPA's operations will not be affected by an environmental incident or subject to environmental liabilities. The introduction of new environmental legislation and regulations may result in additional cost to the MPA arising from additional compliance and further capital expenditure which may have a material adverse impact on the financial position and performance of the Company.

The impact of climate change and/or global warming on MPA's operations is currently unknown.

The Company also operates in a tropical cyclone threat area and typically experiences seasonal cyclones. Whilst the Company has had many years of firsthand experience of cyclones, cyclones will often cause some disruption and also have the potential to create force majeure events (refer to Section 8.3(b)(iv) below).

(viii) **Reliance on key personnel**

A number of key personnel are important to attaining the business goals of MPA. One or more of these key employees could leave their employment, and this may adversely affect the ability of MPA to conduct its business and, accordingly, affect the financial performance of MPA and the MPA Share price.

(ix) **Insurance risks**

Although the Company has taken out what it considers to be the appropriate insurance policies in order to mitigate a number of risks, there is no guarantee that such insurance will remain available on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims. If the Company incurs uninsured losses or liabilities, its assets, profits and operation would be adversely affected. At the Company's 2010 annual general meeting shareholders voted in favour of a resolution not to insure the fish stock within the water due to the costs of the insurance. There is obviously a risk of loss to the Company if the fish stock is not fully insured against such risks.

(x) **Basis of estimation and valuation of fish biomass**

The measurement of the number, weight and value of fish stock involves: the use of automated fish counters for counting of fish in cages during cage splitting operations; sample weighing of fish in cages and extrapolation of results to total holding in a sampled cage; and application of current market values and selling costs. In line with industry practice there is a degree of estimation in these processes which requires management and staff to make judgments, estimates and assumptions that may affect the reported value of the Company's biological assets. Such value can be sensitive to these factors (including fish price and selling cost assumptions). Moreover, estimates of expected growth in fish biomass involves similar judgements, estimates and assumptions. Actual results, for example at later harvest, may differ positively or negatively from those estimates.

The fair value gain or loss on biological assets recognized in the Company's accounts is sensitive to the values placed on its fish stock. The fair value gain or loss on biological assets figure is therefore sensitive to estimates and assumptions applied in the valuation of fish stocks.

(xi) **Adverse movements in feed pricing and supply**

A substantial proportion of the Company's marine-based costs of growing Barramundi are represented by the cost of fish feed required. Any material disruptions in the supply of feed or adverse movements in feed pricing have the potential to materially impact on the Company.

(b) **General market risks**

(i) **Economic Risk**

Changes in both Australian and world economic conditions may adversely affect the financial performance of MPA. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

If any risks above occur, it may have a significant adverse impact on the MPA, its operations and its ability to meet forecast targets.

(ii) **Legislative Change**

The introduction of new legislation or amendments to existing legislation by Governments, developments in existing common law, respective interpretation of the legal requirements in any of the legal jurisdictions which govern MPA's operations or contractual obligations and changes in Government policy could all impact adversely on the assets, operations and the overall financial performance of the Company and its securities.

(iii) **Market conditions**

Market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (A) General economic outlook.
- (B) Introduction of tax reform or other new legislation.
- (C) Interest rates and inflation rates.
- (D) Changes in investor sentiment toward particular market sectors.
- (E) The demand for, and supply of, capital.
- (F) Terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither MPA nor the MPA Directors warrant the future performance of the MPA or any future performance of the MPA Shares.

MPA Shareholders should be aware that there are risks associated with any securities investment. Securities often experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These

factors may materially affect the market price of the MPA Shares regardless of MPA's performance.

(iv) **Force majeure**

MPA's operations now or in the future may be adversely affected by risks outside the control of the Company including climate change, adverse weather event, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(v) **Legal Proceedings Risk**

Legal proceedings may rise from time to time in the course of the business of MPA. As at the date of this Target's Statement, there are no material legal proceedings affecting MPA and the MPA Directors are not aware of any legal proceedings pending or threatened against or affecting MPA.

8.4 Details of Directors

The Directors of MPA as at the date of this Target's Statement are:

| Director Name | Position |
|---------------|------------------------|
| Miles Kennedy | Non-Executive Chairman |
| Desiree Allen | Managing Director |
| Damien Kelly | Non-Executive Director |

8.5 Directors' interests in MPA securities

Details of MPA Shares and MPA Options in which each Director has a Relevant Interest are as follows:

| Director Name | MPA Shares | MPA Options |
|---------------|---|------------------------|
| Miles Kennedy | 1,860,750 | 1,500,000 ¹ |
| Desiree Allen | 486,725 after the issue of 350,000 MPA Shares as agreed | 1,500,000 ¹ |
| Damien Kelly | 66,800 | 400,000 ² |

Note 1: 1,000,000 exercisable at \$0.75, expiring 30 Nov 2018; 500,000 exercisable at \$1.00, expiring 30 Nov 2020.

Note 2: 200,000 exercisable at \$0.75, expiring 30 Nov 2018; 200,000 exercisable at \$1.00, expiring 30 Nov 2020.

8.6 Dealings in securities in MPA

No Director has acquired or disposed of a Relevant Interest in any MPA Shares or MPA Options during the four month period ending on the date immediately before the date of this Target's Statement other than Desiree Allen will be issued with 350,000 MPA Shares after the lodgement of this Target's Statement as set out in Section 8.5 of this Target's Statement.

8.7 Directors' interests in BAPL securities

No Director has a Relevant Interest in any securities of BAPL as at the date of this Target's Statement.

8.8 Dealing in BAPL securities

Neither MPA nor any Director acquired or disposed of a Relevant Interest in any securities in BAPL during the four month period ending on the date immediately before the date of this Target's Statement.

8.9 Conditional agreements

No Director is a party to any agreement or arrangement with any other person in connection with or conditional on the outcome of the Offer, other than as MPA Optionholders (see Section 3.19 of this Target's Statement for further information) or in respect of Desiree Allen, under her employment agreement as referred to in Section 8.10 of this Target's Statement.

8.10 Payments and benefits

Except as otherwise disclosed in this Target's Statement, other than a benefit permitted under section 200F of the Corporations Act, no benefit is proposed to be given to a Director in connection with his or her retirement from office at MPA or a related body corporate of MPA, or in connection with the transfer of the whole or any part of the undertaking or property of MPA.

The Company has entered into an employment agreement with Desiree Allen dated 19 December 2014 where she has been engaged as the managing director of the Company. Under the employment agreement, if either a takeover announcement (meaning the announcement of a takeover bid for the Company) is made or a merger with the Company occurs during the term of the employment agreement, the total remuneration package payable to Desiree Allen under the employment agreement for a period of 12 months from the date the takeover announcement is made, calculated at the rate of the annual remuneration package payable will to the fullest extent permitted by law become immediately due and payable to Desiree Allen in advance.

To the extent permitted by law and subject to restrictions in the Corporations Act, MPA indemnifies each Director against any liabilities arising as a result of the Director acting as an officer of MPA and under the Bid Implementation Agreement, MPA will continue to provide run-off cover for each MPA Director.

8.11 Bid Implementation Agreement

MPA and BAPL entered into the Bid Implementation Agreement in relation to the Offer. This agreement is summarised in Section 8.1 of the Bidders Statement and is available from MPA.

8.12 Publicly available information

This Target's Statement contains statements which are made in or based on statements made in documents lodged by various parties (including MPA) with ASIC, including the Bidder's Statement.

As required by ASIC Class Order 13/521, MPA will make available a copy of these documents (or of relevant extracts from these documents), free of charge, to MPA Shareholders who request it during the Offer Period. To obtain a copy of these

documents (or the relevant extracts), MPA Shareholders may call the Company Secretary on +61 8 9381 4483 at any time between 8:30am and 5pm (WST) on Monday to Friday.

8.13 Material litigation

As at the date of this Target's Statement, MPA is not aware of any current or proposed litigation or dispute that is material and to which it is or may be party.

8.14 ASIC declarations

MPA has not been granted any modifications or exemptions by ASIC from the Corporations Act in connection with the Offer.

8.15 Taxation considerations for MPA Shareholders

A general outline of the tax implications of accepting the Offer is set out in Section 7 of the Bidder's Statement.

As that section provides a general overview only, MPA Shareholders are encouraged to seek their own personal advice on the taxation implications applicable to their circumstances.

8.16 No other material information

This Target's Statement is required to include all the information MPA Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- (b) only if the information is known to any of the MPA Directors.

The MPA Directors are of the opinion that the information that MPA Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer is:

- (a) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement);
- (b) the information which has been previously disclosed by MPA in accordance with its reporting obligations to ASIC; and
- (c) the information contained in this Target's Statement.

The MPA Directors have assumed, for the purposes of preparing this Target's Statement, that the information contained in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). The MPA Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the MPA Directors have had regard to:

- (a) the nature of the MPA Shares;
- (b) the matters MPA Shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to the professional advisers of MPA Shareholders; and
- (d) the time available to MPA to prepare this Target's Statement.

9. CONSENTS

Each of the persons listed below has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn their consent to the inclusion of the following information in this Target's Statement in the form and context in which it is included and to all references in this Target's Statement to that information in the form and context in which they appear:

- (a) each Director, to being named as a director;
- (b) Steinepreis Paganin, to being named in this Target's Statement as legal adviser to MPA; and
- (c) Argonaut Capital Limited, to being named in this Target's Statement as corporate adviser to MPA.

Each person named above as having given its consent to being named in this Target's Statement:

- (a) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

As permitted by ASIC Class Order 13/521, this Target's Statement may contain statements which are made, or based on statements made, in documents lodged with ASIC. Pursuant to this Class Order, the consent of persons to which such statements are attributed is not required for the inclusion of those statements in this Target's Statement.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or published book, journal or comparable publication.

Pursuant to ASIC Corporations (Consents to Statements) Instrument 2016/72, the consent of persons to which such statements are attributed is not required for the inclusion of those statements in this Target's Statement.

Any MPA Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statements which have been included pursuant to ASIC Class Order 13/521 may obtain a copy free of charge by writing to the MPA Company Secretary or by contacting the Company Secretary on +61 8 9381 4483 at any time between 8:30am and 5pm (WST) on Monday to Friday.

Copies of all announcements by MPA may also be obtained from MPA's website at www.marineproduce.com.

10. APPROVAL OF THE TARGET'S STATEMENT

The copy of this Target's Statement that is to be lodged with ASIC has been approved by a resolution passed by the Directors.

This Target's Statement is dated 29 May 2018, which is the date on which it was lodged with ASIC.

Signed for and on behalf of MPA.

Dated 29 May 2018

DR DESIREE ALLEN

11. GLOSSARY AND INTERPRETATION

11.1 Definitions

The following definitions apply in this Target's Statement unless the context requires otherwise:

Acceptance Form means the Acceptance Form provided to you by BAPL with its Bidder's Statement containing instructions on how to accept the Offer.

Announcement Date means the day on which BAPL and MPA announced the Offer.

ASIC means the Australian Shares and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act.

BAPL or **Bidder** means Barramundi Asia Pte Ltd.

BAPL Group means BAPL and its Related Bodies Corporate.

Bid Implementation Agreement means the bid implementation agreement between MPA and BAPL dated on or about 13 May 2018.

Bidder's Statement means the bidder's statement served on MPA by BAPL in relation to the Offer.

Business Day means a day which is not a Saturday, Sunday or a public holiday in Perth, Western Australia.

Combined Entity means the BAPL Group following the acquisition of MPA.

Condition means the conditions of the Offer as provided in Section 2 of Schedule 1 of the Bid Implementation Agreement and summarised in Section 3.6 of the Target's Statement and set out in full in Section 9.2 of the Bidder's Statement.

Corporations Act means the *Corporations Act 2001* (Cth).

Material Adverse Change has the meaning in clause 1.1 of the Bid Implementation Agreement.

MPA or **Company** means Marine Produce Australia Limited (ACN 091 805 480).

MPA Board or **Board** means the board of directors of MPA.

MPA Director or **Director** means a director of MPA.

MPA Group means MPA and its Related Bodies Corporate.

MPA Optionholder or **Optionholder** means a person registered in the register of options of MPA as a holder of one or more MPA Options.

MPA Options or **Options** means options to subscribe for MPA Shares which are on issue at the Register Date.

MPA Share or **Share** means a fully paid ordinary share in MPA.

MPA Shareholder or **Shareholder** means a person who is registered as the holder of an MPA Share in the MPA register of members.

MPA Share Registry means Security Transfers Australia Pty Ltd.

Offer means the takeover bid by BAPL to acquire all of the MPA Shares on the terms and conditions set out in the Bidder's Statement.

Offer Price means \$0.50 cash per MPA Share.

Offer Period means the period within which the Offer is open for acceptance in accordance with the Bidder's Statement and the Corporations Act.

Prescribed Occurrence has the meaning in clause 1.1 of the Bid Implementation Agreement.

Register Date means the date set by BAPL under section 633(2) of the Corporations Act, being 29 May 2018.

Related Bodies Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given to that term in section 9 of the Corporations Act.

Section means a section in this Target's Statement.

Superior Proposal has the meaning given to that term in the Bid Implementation Agreement.

Target's Statement means this document, being the statement of MPA under Part 6.5 of the Corporations Act in relation to the Offer.

Unconditional means that the Offer and any contracts resulting from acceptance of the Offer are no longer subject to fulfilment of the Conditions.

11.2 Interpretation

The following rules of interpretation apply unless the context requires otherwise:

- (a) A term not specifically defined in this Target's Statement has the meaning given to it (if any) in the Corporations Act (as is appropriate to the context).
- (b) A gender includes all genders.
- (c) The singular includes the plural, and the converse also applies.
- (d) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (e) A reference to legislation or to a provision of legislation includes any modification or re-enactment of it, any legislative provision substituted for it and any regulations and statutory instruments issued under it.
- (f) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns.
- (g) A reference to a right or obligation of any two or more people comprising a single party confers that right, or imposes that obligation, as the case may be, on each of them severally and each two or more of them jointly.

A reference to that party is a reference to each of those people separately (so that, for example, a representation or warranty by that party is given by each of them separately).

- (h) A reference to an agreement or document is to the agreement or document as amended, supplemented, novated or replaced.
- (i) Headings used in this Target's Statement are for ease of reference only and do not affect the meaning or interpretation of this Target's Statement.
- (j) A reference to a section or Annexure is to a section of, or annexure to, this Target's Statement unless otherwise specified.
- (k) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (l) \$, A\$ or AUD is a reference to the lawful currency of Australia.
- (m) US\$ or USD is a reference to the lawful currency of the United States of America.
- (n) A reference to time is a reference to Australian Western Standard Time.

CORPORATE DIRECTORY

Marine Produce Australia Limited ABN 70 091 805 480

Board of Directors

Mr Miles Kennedy
Dr Desiree Allen
Mr Damien Kelly

Registered Office

34 Bagot Road
Subiaco WA 6008

Share Registry

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770 Canning Highway
Applecross WA 6153

Corporate Adviser

Argonaut Capital Limited
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Perth WA 6000

Legal Adviser

Steinepreis Paganin
Level 4 Read Building
16 Milligan Street
Perth WA 6000

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