

Dear SeaDragon shareholder,

This letter is to inform you of an unconditional offer to buy all of your shares in SeaDragon Ltd for \$0.04 (4 cents) per share.

The offer is made to you by Sheldon Limited, a company owned by a consortium who, until recently, were collectively the major shareholders in SeaDragon, including Pescado Holdings Ltd. They have transferred all of their SeaDragon shares to Sheldon for this price and their objective is to fully privatise SeaDragon. Sheldon owns 86.86% of SeaDragon's shares.

In August 2022, SeaDragon had a fairness opinion prepared by Simmons Corporate Finance for the purposes of converting debt owing to Pescado Holdings Ltd by SeaDragon into equity. The fairness opinion assessed the fair estimate of value per SeaDragon share to be in the range of \$0.023 to \$0.038.

The offer price represents a premium of 31% to the average of that fair value range. It also represents an 33% increase over the last capital raising price.

As the offer is unconditional, anyone choosing to accept the offer will be paid for their shares within 10 working days of acceptance with payments to be made every Friday.

You can accept this offer online at <https://www.sheldonoffer.co.nz> or by completing and returning a paper acceptance form in accordance with the enclosed instructions.

Background to the offer


You will be aware SeaDragon has been trading for at least the last 5 years largely under the financial support of its major shareholders. This support has mainly been provided by Pescado, the company's largest shareholder.

Raising capital outside the major shareholders has been a difficult task over recent years. Since 1 April 2020 SeaDragon has raised or borrowed \$14,404,105 of which 95.27% or \$13,722,673 has been provided by the major shareholders who sit at the board table and management.

SeaDragon has made considerable and consistent losses over the past decade and the major shareholders are of the view that SeaDragon is unable to continue business on the basis of just refining and selling bulk fish oil to large infant formula providers as it has done to date. It needs to build on that base while investing in and growing new products. That growth will take some time, involve risk, and require considerable capital. Given those risks, the current global supply chain disruptions, and the general global economic situation the major shareholders only want to take those risks within the framework of a private company.

If you have any questions, please don't hesitate to contact me on 021931355. I also strongly encourage you to seek advice from a professional advisor before making your final decision

Yours Sincerely

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Bryan Mogridge

Director, Sheldon Limited