



29 November 2022

## Letter from Chairman of the Independent Committee

Dear SeaDragon Shareholder (**Shareholder**)

### Introduction

Sheldon Limited (the **Offeror**) is making an offer to acquire all of the shares in SeaDragon Limited (the **Company**) that it does not already own at \$0.04 per share in cash (the **Offer**). This letter accompanies the document in which the Offer is made (the **Disclosure Document**).

You should read the Disclosure Document carefully and in full when considering whether to accept the Offer.

### Independent Committee

Your Board has formed an Independent Committee, comprised solely of me, to act on all matters arising in connection with, or as a consequence of, the Offer. The Independent Committee sought advice from Flacks & Wong as legal adviser.

### Recommendation of the Independent Committee

**The Independent Committee recommends that you accept the Offer as soon as possible.**

The principal reasons for the Independent Committee's recommendation that Shareholders accept the Offer as soon as possible are:

- **Offer above top end of independent adviser's recently-assessed share price range:** the Offer price of \$0.04 per share is above the top end of the share price range recently assessed by an independent adviser engaged by the Company. As disclosed to the market via USX on 22 September 2022, that independent adviser assessed an appropriate share price as being in the range of \$0.023 to \$0.038. Although the independent adviser was not engaged for the purposes of assessing the Offer, the Independent Committee considers that the fair value of each share is within that share price range;
- **Offer unconditional and Offeror already owns approximately 87% of the shares:** the Offer is unconditional and the Offeror already owns 86.86% of the shares;
- **Offeror will compulsorily acquire your shares:** the Offeror has stated that, if it becomes the holder of 90% or more of the shares, it will exercise its right to compulsorily acquire the remaining shares; and
- **Payment shortly after acceptance:** if you accept the Offer, the Offeror must pay the consideration on or before the Friday in the week following the week in which you accept the Offer.

Five Islands Ventures Pty Ltd (as trustee for Five Islands Ventures Holdings Trust) (**Five Islands Ventures**), which is an entity controlled by me, holds 666,667 shares in the Company. Five Islands Ventures intends, as soon as possible, to accept the Offer in respect of all of those shares for the principal reasons set out above, as well as my own personal circumstances.

### **Acceptances**

If you wish to accept the Offer, you must either: accept the Offer online at [www.sheldonoffer.co.nz](http://www.sheldonoffer.co.nz); or complete the paper Acceptance Form (and, if applicable, the Specified Holder Certificate) accompanying the Disclosure Document. Further instructions on how to accept the Offer are set out in the Disclosure Document.

### **Conclusion**

As noted above, the Independent Committee recommends that you accept the Offer as soon as possible.

We also encourage you to seek professional advice in relation to your particular circumstances.

On behalf of the Independent Committee and the Board, I thank you for your support of the Company.

Yours faithfully

A handwritten signature in black ink, appearing to read 'C Patch', written in a cursive style.

**Dr Craig Patch**  
Chairman of the Independent Committee