



13 June 2017

**NZX Continuous Disclosure
Sanford Response to *Bonamia Ostreae* Situation**

Recent testing has confirmed that *Bonamia ostreae*, which affects flat oysters, is present in the farmed oyster population in Stewart Island. The organism was first found in New Zealand waters in 2015 in Marlborough. At that time, a Controlled Area Notice (CAN) was issued by MPI which restricted any vessels, oysters or equipment from leaving that region without permission. Sanford was able to function normally in Marlborough under the CAN issued in 2015.

With the current discovery in Stewart Island, MPI has extended the CAN to cover the Southland and Otago regions including Stewart Island. It has further advised that all farmed flat oysters in Stewart Island and Marlborough are to be removed. This includes the Sanford and Tio joint venture farm in Stewart Island. The organism has not been detected in tests of the wild oyster population in the waters of Foveaux Strait.

Sanford does not have any farmed oysters in Marlborough. We do have mussel operations in both Stewart Island and Marlborough and also a salmon operation in Stewart Island. These operations are not materially affected by the MPI order and there is currently no indication this will change.

MPI has confirmed that compensation will be provided to farmers who suffer verifiable, consequential losses as a result of damage to or destruction of property under section 162A of the Biosecurity Act 1993.

Based on the current directives issued by MPI, Sanford does not anticipate any material financial impact on its business.

Finding *Bonamia ostreae* in the waters off Stewart Island has been a huge disappointment to farmers and fishers who rely on the Bluff oyster for their livelihoods. Clearly we are disappointed that the organism is present in Stewart Island waters, but we are working closely with MPI in dealing with this matter now and in the weeks ahead.

Clement Chia
Chief Financial Officer

The media contact for Sanford is Fiona MacMillan on 021 513 522 or e-mail fmacmillan@sanford.co.nz