



NEWS RELEASE

For immediate release

January 30, 2018

Contacts

Erik Heim, CEO Nordic Aquafarms, Inc.

erik.heim@nordicaquafarms.com

+47 900 74 907

Peter DelGreco, CEO, Maine & Company

pjdelgreco@maineco.org

207-653-2798

Thomas Kittredge, Economic Development Director

City of Belfast

economicdevelopment@cityofbelfast.org

207-338-3370, ext. 600

NORWEGIAN AQUACULTURE COMPANY TO BUILD ONE OF THE WORLD'S LARGEST LAND-BASED SALMON FARMS IN BELFAST

BELFAST, Maine – After assessing international markets and conducting comprehensive site searches throughout New England, Nordic Aquafarms, headquartered in Norway and one of the premier international developers of land-based aquaculture, has signed agreements to purchase 40 acres on the outskirts of Belfast, where it will build one of the world's largest land-based salmon farms.

Nordic Aquafarms plans to construct a land-based salmon operation with a 33,000 ton (66 million pounds) annual production capacity, in several phases. The initial phase will involve an investment of \$150 million (USD) and is expected to employ 60 people when completed in

the next two years. When fully built out, the facility will represent a total capital investment of between \$450 to \$500 million (USD) and be based on proprietary designs under development. It will be an end-to-end operation, including hatcheries and fish processing.

At a news conference today attended by Maine Governor Paul LePage and other state and local officials, Nordic Aquafarms CEO Erik Heim said: “We see this an attractive opportunity to bring our know-how, solutions and capital strength to the United States. We are committed to producing super fresh, high-quality seafood with a low environmental footprint for U.S. consumers. That requires local production, and we believe that we have found an ideal site here in Maine. We look forward to becoming a responsible and contributing member of the Maine seafood industry.”

“My Administration has been focusing on expanding our economic ties with Northern European nations, and we are delighted to see that investment pay off,” stated Governor LePage. “I welcome Nordic Aquafarms to Belfast and thank them for their investment and the jobs they will be creating. Nordic Aquafarms is a good fit for our state and the Midcoast region.”

Heim said that Maine was chosen after an extensive search based on its pristine environment, cold water conditions, long history as a leader in the seafood industry and proximity to major consumer markets in the Northeast United States. He added that Nordic Aquafarms will be developing production with a low impact discharge of water that is free of any chemicals or medications, that all waste will be recycled and the facility will feature renewable energy solutions.

For the past six months, Nordic Aquafarms has been working closely behind the scenes with Maine & Company, the private, non-profit corporation that assists companies looking to locate or expand Maine, Ransom Consulting, Inc., consulting engineers and scientists, the City of Belfast, and the Belfast Water District, whose property on Northport Avenue the company has an agreement to purchase for its new facility.

“From our very first meeting we recognized that Nordic Aquafarms is exactly the kind of successful, innovative company we need in Maine to help grow our economy and create the jobs of the future,” said Peter DelGreco, Maine & Company CEO. “Nordic Aquafarms has demonstrated a commitment and passion for producing high quality seafood in accordance with the highest sustainable and environmental standards. We are excited to follow them as they become an important and responsible member of Maine’s business and sustainable food community.”

The land that Nordic Aquafarms has agreements to acquire includes approximately 26 acres on Northport Avenue (Route 1) that now belong to the Belfast Water District, which will re-locate its office and garages to a new site, and another 14 acres of abutting land from a private landowner. According to the terms of agreements with the water district, Nordic Aquafarms also will purchase a volume of water from the district, giving it new annual revenue and ensuring that the sale will not have any adverse impacts on rates for water district customers.

Heim said the proposed site has suitable qualities for a land-based seafood farming based on initial due diligence, but Nordic Aquafarms will now proceed with final due diligence, planning and permitting. Construction is expected to start in 2019, with operations commencing in 2020. Phase 1, with a capacity of some 13,000 tons, will be the largest land-based facility project ever built in one construction phase. It will house the largest aquaculture tanks in the world, currently being designed in Norway.

In addition to the 60 new high-skill jobs created in the first stage of the project, many new commercial relationships between the Norwegian and Maine business communities are expected. Heim said he expects to see positive economic development effects both in Maine and in Norway, where Nordic Aquafarms has its international development hub.

The planned annual capacity of the facility when fully built out equals approximately 8 percent of U.S. consumption of salmon. The U.S. has a significant trade deficit on seafood and salmon, and this facility will contribute to closing that gap.

The City of Belfast, which will be assisting the water district with its relocation and taking ownership of recreational trails on the site, sees the project as a great addition to the local economy and a solid win for the city. Belfast Economic Development Director Thomas Kittredge said that the city council, the city staff, and the water district all have worked closely with Nordic Aquafarms, Maine & Company and Ransom Consulting to bring the project to fruition.

“Everyone stepped up when this opportunity presented itself and we all worked hard to get an agreement completed on a rather accelerated timetable,” Kittredge said. “Nordic Aquafarms will be a welcome addition to the Belfast economy and will augment the great food production sector that we already have here.”

Nordic Aquafarms, the City of Belfast and the Belfast Water District are planning to hold several informational meetings in the coming weeks to give local residents an opportunity to learn more about the project and share any questions or concerns they have. The first meeting is expected to take place in February at a time and place to be announced shortly.

Nordic Aquafarms established a U.S. subsidiary, Nordic Aquafarms, Inc., in 2017 as the vehicle for its U.S. growth strategy. Heim, a dual Norwegian/U.S. citizen, is president of the new subsidiary. His objective is to bring together the best of Norway and the U.S. in a high-value growth company in Maine.

Members of the Maine Congressional Delegation also expressed praise and support for the Nordic Aquafarms investment in Maine (see attached).

About Nordic Aquafarms and land-based production

Nordic Aquafarms (www.nordicaquafarms.com) is one of the premier investors and developers in land-based aquaculture internationally, with head-quarters in Norway. Nordic Aquafarms is invested into some of the largest land-based seafood production facilities in the world in Norway and Denmark. The company is developing disruptive sustainable fish farming practices for the future to deliver super fresh high-quality seafood to regional markets, with a low environmental impact. The company's shareholders include some of the most prominent investors in the Norwegian industrial and shipping sectors.

Land-based production is a rapidly emerging method for sustainable production of salmon. It is based on indoor production in large tanks and water treatment systems, and its benefits include: the ability to recycle and treat water on site to reduce overall water consumption, recycling of waste resources, the prevention of sea lice and parasites, the elimination of fish escape into the sea and co-mingling with wild species, the application of renewable energy concepts, and a shorter distance to market for a high quality, fresh product, reducing the carbon footprint of air and land transport.

About Maine & Company

Maine & Company is a private, non-profit corporation with members and a board comprised of senior executives from Maine's top businesses, the president of the Maine State Chamber of Commerce and the commissioner of Maine's Department of Economic & Community Development. It provides free and confidential consulting services to businesses looking to relocate to Maine or expand within Maine.

Maine & Company services include real estate site searches, data collection and analysis, incentives identification and valuation, site visit coordination, workforce analysis, and financing coordination.

###

Statements from members of the Maine Congressional Delegation about the Nordic Aquafarms investment in Maine:

U.S. Senator Susan Collins

“Maine’s fishing industry is a vital part of our economy, our coastal communities, and our state’s heritage. Nordic Aquafarm’s decision to build an innovative, environmentally friendly aquaculture facility in Belfast will help expand this important industry and create new jobs for Mainers,” said Senator Collins. “This significant investment is great news for Belfast and the surrounding communities.”

U.S. Senator Angus King

"Aquaculture is a growing force in Maine's economy, bringing new jobs and opportunities to our state's fishing industry," said Senator Angus King. "Nordic Aquafarm's facility will build on our state's rich fishing traditions and promote innovation and sustainability that can help Belfast and the surrounding community thrive. This is an investment in Maine people, Maine jobs, and the future of our economy. To the entire Nordic Aquafarm team: tusen takk og velkommen til Maine!"

Second District U.S. Representative Bruce Poliquin

“This is another great economic development success for the City of Belfast and the Water District,” said Second District Congressman Bruce Poliquin. “I want to thank Nordic Aquafarms for their investment in Maine and the new jobs and opportunities it will create. Our state has a proud heritage as a leader in the seafood industry, and land-based aquaculture especially is going to be an important part of our 21st Century economy. My office is fully committed to doing our part in helping our job creators, like Nordic Aquafarms, grow and succeed in Maine.”



Questions and Answers about Nordic Aquafarms, Inc.'s
plans for a world-class, land-based salmon farming operation
in Belfast, Maine USA

1. Who is Nordic Aquafarms?

Nordic Aquafarms (NAF), based in Norway, is one of the world's largest investors and developers of land-based seafood production. We are dedicated to the highest environmental and quality standards in the industry, while we invest in disruptive technologies for the future.

We have some of the largest facilities in the world in various development stages in Norway and Denmark. In 2017, we established a new, 100 percent company-owned subsidiary in the U.S., Nordic Aquafarms, Inc., to pursue the expansion in Maine.

The company's shareholders include some of the most prominent investors in the Norwegian industrial and shipping sectors.

2. What is NAF planning to build in Maine?

We are building a land-based facility for salmon, where the fish are raised indoors in large tanks. We will emphasize fish welfare, product quality and a green footprint in our operations. The production method and product are rated as "best choice" by the Monterey Bay Aquarium Seafood Watch (www.seafoodwatch.org).

Our plan is to have a 33,000 ton (66 million pounds) annual production capacity, to be built in several phases. Phase 1, with a capacity of some 13,000 tons, will be the largest land-based facility project ever built in one construction phase. It will house the largest aquaculture tanks in the world, currently being designed in Norway. Construction is expected to start in 2019, with operations commencing in 2020.

The facility will provide high quality, super fresh Atlantic salmon to the regional market. The planned annual capacity of the facility when fully built out equals approximately 8 percent of U.S. consumption of salmon. The U.S. has a significant trade deficit on seafood and salmon, and this facility will contribute to closing that gap.

3. How much will NAF invest in this project and how many jobs will be created?

The initial investment is \$150 million (USD), and is expected to create 60 new high-skill jobs. More jobs will be created through future expansion and indirect jobs and economic development through partnerships with companies in Maine. When fully built out, the facility will represent a total capital investment of \$450 to \$500 million (USD) and be based on proprietary designs under development. It will be an end-to-end operation, including hatcheries and fish processing.

4. Why was Maine chosen for the investment?

We conducted an international market assessment in early 2017. We then moved on to a search of locations throughout the U.S. We chose Maine for its pristine environment, cold water conditions, its long history as a leader in the seafood industry and its proximity to major consumer markets in the Northeast United States.

The Belfast area's abundant ocean and fresh water resources provide a good match for the land-based aquaculture operation we are planning to build.

5. *Where will the NAF facility be built?*

It will be built on the outskirts of the City of Belfast, Maine, where we have signed agreements to acquire over 40 acres of land on Northport Avenue (Route 1). The land we are planning to acquire includes approximately 26 acres that now belong to the Belfast Water District and another 14 acres of abutting land from a private landowner.

6. *What will happen before a final closing of the transaction?*

We believe that the chosen site has suitable qualities for a land-based seafood farm based on initial due diligence, but we must complete final due diligence and permitting for the property before a final closing later this year. We aim to have our necessary permits in hand by the end of this year, with construction starting in 2019 in collaboration with partners in Maine. That would allow operations to start in 2020.

7. *What are the advantages of land-based fish farming?*

Land-based production is a rapidly emerging method for sustainable production of salmon. The method is based on indoor production in large tanks and water treatment systems. The benefits of the land-based production include:

- The ability to recycle and treat water on site to reduce overall water consumption
- Cleaning of all discharged water
- Recycling of waste resources
- Application of renewable energy concepts
- Prevention of fish escape into the sea and co-mingling with wild species
- Prevention of sea lice and parasites
- No smell or noise related to production
- A shorter distance to market, reducing the carbon footprint of air and land transport
- A high quality, fresh product for local and regional markets

Developing and operating a facility like this is complex. We will therefore have close collaboration with the Norwegian operation and invest in a highly skilled local work force.

8. *Is land-based production competitive with sea-pen production?*

Yes, our facility will be competitive in terms of both investment and production costs. The large scale of the facility and its proprietary designs are key to its competitiveness.

9. *Are there any adverse environmental impacts?*

No. All water and waste go through stringent treatment processes to minimize environmental impact and prevent the risk of potential harm to humans or other fisheries, such as lobster. The facility will not use antibiotics or chemicals that in any way could be harmful to the environment.

Nordic Aquafarms has been recognized for its dedication to the environment through a number of prestigious grants in Norway and Europe, and continuously pursues innovation to apply solutions for the future.

10. What will the impact be on neighbors?

The land in question has few neighbors and is shielded by land-buffer zones. We do not see any immediate impact to neighbors, but increased activity during construction will be noticeable.

The lakeside areas with trails on the site will be preserved for recreation, and there will be forest buffer zones between the recreational lands and our facility.

11. Will the sale of the water district land have any impact on water rates?

No. According to the terms of agreements with the Belfast Water District, this sale should not increase rates for water district customers in Belfast and Northport. In addition to purchasing the land, NAF has also agreed to purchase a volume of water from the district, giving it new annual revenue.

The Belfast Water District is communicating directly with all of its ratepayers about the terms of the sale and its plan to move to a newer, more modern facility.

12. Where can people get more information?

We will be organizing Informational meetings in the weeks ahead to address any questions or potential concerns from neighbors and other Belfast residents.

In the meantime, please visit our website at nordicaquafarms.com or email at us post@nordicaquafarms.com.

We are grateful to the City of Belfast, Maine & Company, Ransom Environmental, the State of Maine and members of Maine's Congressional Delegation for their assistance and support, and we look forward to being an active and responsible member of the Maine business community.

Erik Heim
President
Nordic Aquafarms INC