
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 17, 2018**

NATURALSHRIMP INCORPORATED
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

000-54030
(Commission
File Number)

74-3262176
(IRS Employer
Identification No.)

5080 Spectrum Drive, Suite 1000
Addison, Texas 75001
(Address of principal executive offices)

Registrant's telephone number, including area code: **(888) 791-9474**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company []

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. []

Item 3.03. Material Modification to Rights of Security Holders.

On August 17, 2018, the Company, pursuant to approval by the Company's board of directors, filed a certificate of designation (the "Certificate of Designation") with the state of Nevada in order to designate a class of preferred stock. The class of preferred stock that was designated is referred to as Series A Convertible Preferred Stock (the "Series A Stock"), consists of 5,000,000 shares, and was designated from the 200,000,000 authorized preferred shares of the Company. The Series A Stock is not entitled to dividends, but carries liquidation rights upon the dissolution, liquidation or winding up of the Company, whether voluntary or involuntary, at which time the holders of the Series A Stock shall receive the sum of \$0.001 per share before any payment or distribution shall be made on the Company's common stock, or any class ranking junior to the Series A Stock. The shares of Series A Stock shall vote together as a single class with the holders of the Company's common stock for all matters submitted to the holders of common stock, including the election of directors, and shall carry voting rights of 60 common shares for every share of Series A Stock. Any time after the two-year anniversary of the initial issuance date of the Series A Stock, the Series A Stock shall be convertible at the written consent of a majority of the outstanding shares of Series A Stock, in an amount of shares of common stock equal to 100% of the then outstanding shares of common stock at the time of such conversion.

On August 21, 2018, the Company entered into a Stock Exchange Agreement (the "Exchange Agreement") with NaturalShrimp Holdings, Inc. ("NaturalShrimp"), the Company's majority shareholder, which is controlled by the Company's CEO and President. Pursuant to the Exchange Agreement, the Company and NaturalShrimp exchanged 75,000,000 shares of common stock for 5,000,000 shares of Series A Stock. The 75,000,000 shares of common stock will be cancelled and returned to the authorized but unissued shares of common stock of the Company.

The foregoing description of the above referenced Certificate of Designation and Exchange Agreement do not purport to be complete. For an understanding of their terms and provisions, reference should be made to Exhibits 3.1 and 3.2 to this Current Report on Form 8-K.

Item 9.01 Financial Statement and Exhibits

Exhibits

In reviewing the agreements included or incorporated by reference as exhibits to this Current Report on Form 8-K, please remember that they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure about the Company or the other parties to the agreements. The agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the parties to the applicable agreement and accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about the Company may be found elsewhere in this Current Report on Form 8-K and in our other public filings, which are available without charge through the SEC's website at <http://www.sec.gov>.

Exhibit No.	Description
<u>3.1</u> *	Certificate of Designation for Series A Convertible Preferred Stock
<u>10.2</u> *	Stock Exchange Agreement dated August 21, 2018

* Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 22, 2018

NATURALSHRIMP INCORPORATED

By: /s/ Bill Williams
Name: Bill G. Williams
Title: Chief Executive Officer

**NATURALSHRIMP INCORPORATED
CERTIFICATE OF DESIGNATION OF PREFERENCES,
RIGHTS AND LIMITATIONS
OF
SERIES A PREFERRED STOCK**

The undersigned, Gerald Easterling, hereby certifies that:

1. He is the Secretary of NaturalShrimp Incorporated, a Nevada corporation (the "Company").
2. The Company is authorized to issue 200,000,000 shares of preferred stock.
3. The following resolutions were duly adopted by the Board of Directors (the "Board");

WHEREAS, the Articles of Incorporation of the Company, as amended, as originally filed with the Secretary of State of the State of Nevada on July 3, 2008 (the "Articles of Incorporation") provide for a class of its authorized stock known as the Preferred Stock, issuable from time to time in one or more series; and

WHEREAS, the Board is authorized to fix the dividend rights, dividend rate, voting rights, conversion rights, rights and terms of redemption and liquidation preferences of any wholly unissued series of Preferred Stock and the number of shares constituting any series and the designation thereof; and

WHEREAS, it is the desire of the Board, pursuant to its authority as aforesaid, to fix the rights, preferences, restrictions and other matters relating to a series of Preferred Stock, which shall consist of up to 5,000,000 shares of a series of the Preferred Stock which the Company has the authority to issue.

NOW, THEREFORE, BE IT RESOLVED, that the Board does hereby provide for the issuance of a series of Preferred Stock in exchange of common stock of the Company and does hereby fix and determine the rights, preferences, restrictions, and other matters relating to such series of Preferred Stock, to be known as the "Series A Convertible Preferred Stock," as set forth in the Certificate of Designation in the form attached hereto as Exhibit A (the "Certificate of Designation"); and it is further

RESOLVED, that the Company file the Certificate of Designation with the Secretary of State of the State of Nevada, pursuant to Section 78.1955 of the Nevada Revised Statutes, setting forth the rights, qualifications, preferences, limitations, and terms relating to the Series A Convertible Preferred Stock; and it is further

RESOLVED, that the officers of the Company, or any one or more of them, be and they hereby are, authorized and empowered, for and on behalf of the Company, to: (i) execute, deliver, and file the Certificate of Designation with the Secretary of State of the State of Nevada, and any and all applications, agreements, documents, instruments, and certificates related thereto; (ii) incur such costs and expenses; and (iii) do any and all acts and things that any one or more of the officers of the Company deems, in the exercise of their sole discretion, necessary, desirable, or appropriate in connection with these resolutions, with the execution and delivery of the Certificate of Designation and the applications, agreements, documents, instruments, and certificates related thereto to constitute conclusive proof of the appropriateness of the Certificate of Designation and the applications, agreements, documents, instruments, and certificates related thereto.

IN WITNESS WHEREOF, the undersigned has executed and acknowledged this Certificate this 15th day of August, 2018.

By: /s/ Gerald Easterling
Name: Gerald Easterling
Title: Secretary

**CERTIFICATE OF DESIGNATION
OF
SERIES A CONVERTIBLE PREFERRED STOCK
OF
NATURALSHRIMP INCORPORATED**

(Pursuant to NRS 78.1955)

(Continued)

The following is a statement of the powers, designations, preferences, limitations, restrictions and relative rights of a series of preferred stock of NaturalShrimp Incorporated., a Nevada corporation (the "Company"), as authorized on August 15, 2018, by the board of directors of the Company (the "Board"), for the purposes of establishing a series of the Company's authorized preferred stock, \$.0001 par value per share ("Preferred Stock"), designated as Series A Convertible Preferred Stock, and fixing the relative rights and preferences thereof:

1. **DESIGNATION AND NUMBER.** A series of Preferred Stock, designated as Series A Convertible Preferred Stock ("Series A Preferred Stock"), is hereby established. The number of authorized shares of Series A Preferred Stock shall initially be Five Million (5,000,000) shares.

2. **DIVIDENDS.** Commencing on the date of the issuance of any share of Series A Preferred Stock, (in each case, the "Issuance Date"), the holders of the Series A Preferred Stock shall not be entitled to receive dividends when, as, and if declared by the Board.

3. **LIQUIDATION RIGHTS.** Upon the dissolution, liquidation or winding up of the Company, whether voluntary or involuntary, the holders of the then outstanding shares of Series A Preferred Stock shall be entitled to receive out of the assets of the Company the sum of \$0.001 per share (the "Liquidation Rate") before any payment or distribution shall be made on the Common Stock, or any other class of capital stock of the Company ranking junior to the Series A Preferred Stock.

(a) The sale, conveyance, exchange or transfer (for class, shares of stock, securities or other consideration) of all or substantially all the property and assets of the Company shall be deemed a dissolution, liquidation or winding up of the Company for purposes of this Section 4, but the merger, consolidation, or other combination of the Company into or with any other corporation, or the merger, consolidation, or other combination of any other corporation into or with the Company, shall not be deemed a dissolution, liquidation or winding up, voluntary or involuntary, for purposes of this Section 4. As use herein, the "merger, consolidation, or other combination" shall include, without limitation, a forward or reverse triangular merger, or stock exchange of the Company and any of its subsidiaries with any other corporation.

(b) After the payment to the holders of shares of the Series A Preferred Stock of the full preferential amounts fixed by this Section 4 for shares of the Series A Preferred Stock, the holders of the Series A Preferred Stock as such shall have no right or claim to any of the remaining assets of the Company.

(c) In the event the assets of the Company available for distribution to the holders of the Series A Preferred Stock upon dissolution, liquidation or winding up of the Company shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to this Section 4, no distribution shall be made on account of any shares of a class or series of capital stock of the Company ranking on a parity with the shares of the Series A Preferred Stock, if any, upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of the Series A Preferred Stock, ratably, in proportion to the full distributive amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

4. CONVERSION OF SERIES A PREFERRED STOCK.

(a) Conversion Option. At any time after the two year anniversary from the initial Issuance Date, the holders shall have the right, only at the written consent of a majority of the outstanding shares of Series A Preferred Stock, to convert all (but not less than all) of the shares of Series A Preferred Stock into shares of the Company's common stock (the "Common Stock") in an amount of shares of Common Stock equal to 100% of the then outstanding shares of Common Stock outstanding at the time of such conversion (the "Conversion Date").

(b) Mechanics of Conversion. If the holders elect to convert the Series A Preferred Stock, they shall deliver thirty (30) days' written notice thereof via facsimile and overnight courier ("Notice of Conversion") to the Company, which Notice of Conversion shall indicate (i) the number of shares of Series A Preferred Stock that the holder is electing to convert or is required to convert (which shall not be less than all of the outstanding shares of Series A Preferred Stock), (ii) the Conversion Date under Section 4(a) above, and (iii) the manner and the place designated for the surrender of the certificate or certificates representing the shares to be converted.

5. VOTE TO CHANGE THE TERMS OF THE SERIES A PREFERRED STOCK. Without the prior written consent of the holders of not less than two-thirds (2/3) of the outstanding shares of the Series A Preferred Stock, the Company shall not amend, alter, change or repeal any of the powers, designations, preferences and rights of the Series A Preferred Stock.

6. LOST OR STOLEN CERTIFICATES. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any Preferred Stock certificates representing shares of the Series A Preferred Stock, and, in the case of loss, theft or destruction, of any indemnification undertaking or bond, in the Company's discretion, by the holder to the Company and, in the case of mutilation, upon surrender and cancellation of the Preferred Stock Certificate(s), the Company shall execute and deliver new Series A Preferred Stock Certificate(s) of like tenor and date; provided, however, the Company shall not be obligated to re-issue Series A Preferred Stock Certificates if the holder thereof contemporaneously requests the Company to convert such shares of the Series A Preferred Stock into the Common Stock.

7. VOTING. On all matters submitted to a vote of the holders of the Common Stock, including, without limitation, the election of directors:

(a) The Series A Preferred Stock shall have 60 to 1 voting rights such that each share of Series A Preferred Stock shall vote as to 60 shares of Common Stock.

(b) If no such record date is established, the date to be used for the determination of the stockholders entitled to vote on such matters shall be the date on which notice of the meeting of stockholders at which the vote is to be taken is marked, or the date any written consent of stockholders is solicited if the vote is not to be taken at a meeting.

(c) Adjustment of Voting Rights for Dilution and Other Events. The voting rights of the Series A Preferred Stock shall be subject to adjustment from time to time as follows:

(i) **ADJUSTMENT OF VOTING RIGHTS UPON SUBDIVISION OR COMBINATION OF THE COMMON STOCK.** If the Company at any time subdivides the Common Stock (by any stock split, stock dividend, recapitalization or otherwise) into a greater number of shares, the voting rights in effect immediately prior to such subdivision will be proportionately changed so that the voting rights are equal to the same voting rights prior to such subdivision. If the Company at any time combines the Common Stock (by combination, reverse stock split or otherwise) into a smaller number of shares, the voting rights in effect immediately prior to such combination will be proportionately changed so that the voting rights are equal to the same voting rights prior to such combination.

(ii) **REORGANIZATION, RECLASSIFICATION, CONSOLIDATION, MERGER, OR SALE.** Any recapitalization, reorganization, reclassification, consolidation, merger, or other similar transaction that is effected in such a way that holders of the Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for the Common Stock is referred to herein as an "Organic Change." Prior to the consummation of any Organic Change, the Company will make appropriate provision, in form and substance satisfactory to the holders of a majority of the outstanding shares of the Series A Preferred Stock, to ensure that each of the holders shares of the Series A Preferred Stock will thereafter have the right to acquire and receive in lieu of or in addition to, as the case may be, the shares of the Common Stock immediately theretofore acquirable and receivable upon the conversion of such holder's Series A Preferred Stock, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for the number of shares of the Common Stock immediately theretofore acquirable and receivable upon the conversion of such holder's shares of the Series A Preferred Stock had such Organic Change not taken place. The Company will not effect any such consolidation or merger, unless prior to the consummation thereof the successor entity resulting from such consolidation or merger, if other than the Company, assumes, by written instrument, in form and substance satisfactory to the holders of a majority of the outstanding shares of the Series A Preferred Stock, the obligation to deliver to each holder of shares of the Series A Preferred Stock such shares of stock, securities or assets as, in accordance with the foregoing provisions, that such holder may be entitled to acquire.

8. TRANSFERABILITY.

(a) The Series A Preferred Stock constitutes "restricted securities" as such term is defined in Rule 144(a)(3) under the Act and may only be disposed of in compliance with U.S. federal securities laws and applicable state securities or "blue sky" laws. Without limiting the generality of the foregoing, the Series A Preferred Stock may not be offered for sale, sold, transferred, assigned, pledged or otherwise distributed unless (i) subsequently registered thereunder, (ii) the holder of the Series A Preferred Stock shall have delivered to the Company an opinion of counsel reasonably acceptable to the Company, in a form generally acceptable to the Company, to the effect that such Series A Preferred Stock to be offered for sale, sold, transferred, assigned, pledged or otherwise distributed may be offered for sale, sold, transferred, assigned, pledged or otherwise distributed pursuant to an exemption from such registration, or (iii) the holder provides the Company and its legal counsel with assurance reasonably acceptable to the Company that such Series A Preferred Stock can be offered for sale, sold, transferred, assigned, pledged or otherwise distributed pursuant to Rule 144A promulgated under the Act;

(b) So long as is required by this Section 10, the certificates or other instruments representing the Series A Preferred Stock shall bear any legends as required by applicable state securities or "blue sky" laws, in addition to the following restrictive legend (and that a stop-transfer order shall be placed against transfer of such certificates):

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

(c) The Company shall keep at its principal office, or at the offices of its transfer agent, a register of the Series A Preferred Stock. Upon the surrender of any certificate representing Series A Preferred Stock at such place, the Company, at the request of the record holder of such certificate, shall execute and deliver (at the Company's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of shares represented by the surrendered certificate. Each such new certificate shall be registered in such name and shall represent such number of shares as is requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate.

9. NOTICES. Any and all notices to the Company shall be addressed to the Company's President or Chief Executive Officer at the Company's principal place of business on file with the Secretary of State of the State of Nevada. Any and all notices or other communications or deliveries to be provided by the Company to any holder of Series A Preferred Stock hereunder shall be in writing and delivered personally, by facsimile, sent by a nationally recognized overnight courier service addressed to each holder at the facsimile telephone number or address of such holder appearing on the books of the Company, or if no such facsimile telephone number or address appears, at the principal place of business of the holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified in this section prior to 5:30 p.m. Eastern Time, (b) the date after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified in this section later than 5:30 p.m. but prior to 11:59 p.m. Eastern time on such date, or (c) upon actual receipt by the party to whom such notice is required to be given.

STOCK EXCHANGE AGREEMENT

This **STOCK EXCHANGE AGREEMENT** (the "Agreement"), dated as of August 21, 2018 is being executed by and between NaturalShrimp Holdings, Inc., ("NSH"), and NaturalShrimp Incorporated, a Nevada corporation ("SHMP").

WHEREAS:

A. NSH and SHMP are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the rules and regulations as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "1933 Act");

B. NSH desires to exchange, upon the terms and conditions set forth in this Agreement (the "Exchange"), and SHMP agrees and approves such Exchange, of 75,000,000 shares of common stock of SHMP for 5,000,000 shares of Series A Convertible Preferred stock of SHMP (collectively, the "Shares").

NOW THEREFORE, NSH and SHMP severally (and not jointly) hereby agree as follows:

1. Exchange of Shares.

a . Exchange of Shares. On the Closing Date (as defined below), NSH shall return 75,000,000 shares of SHMP common stock to SHMP, which shall be cancelled and returned to the unissued authorized shares of SHMP, and in exchange, SHMP shall issue to NSH, 5,000,000 shares of Series A Convertible Preferred Stock, which shall have such rights and preferences as are provided for in the Certificate of Designation for the Series A Convertible Preferred Stock as filed with the secretary of state of Nevada. The common shares to be returned shall be referred to as the "Common Shares", and the Series A Convertible Preferred Shares to be issued as part of the Exchange shall be referred to as the "Preferred Shares".

b . Value of Shares. The Common Shares and the Preferred Shares are intended to have the exact same value, where the same aggregate value is being exchanged by SHMP and NSH.

c . Closing Date. Subject to the satisfaction (or written waiver) of the conditions thereto set forth in Section 6 and Section 7 below, the date and time of the Exchange pursuant to this Agreement (the "Closing Date") shall be the date of execution of this Agreement. Both SHMP and NSH shall have the Common Shares cancelled and the Preferred Shares issued on the Closing date. The closing of the transactions contemplated by this Agreement (the "Closing") shall occur on the Closing Date at such location as may be agreed to by the parties.

2. Representations and Warranties. Each Party represents and warrants to the other Party that:

a . Investment Purpose. As of the date hereof, NSH is acquiring the Preferred Shares for its own account and not with a present view towards the public sale or distribution thereof, except pursuant to sales registered or exempted from registration under the 1933 Act.

b . Investment Status. NSH has such knowledge and experience in business and financial matters that it is capable of evaluating this transaction and the proposed activities thereof, and the risks and merits of this prospective investment.

c . Reliance on Exemptions. Each Party understands that the Preferred Shares are being issued in reliance upon specific exemptions from the registration requirements of United States federal and state securities laws and that each Party is relying upon the truth and accuracy of the other Party, and the other Party's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Parties set forth herein in order to determine the availability of such exemptions and the eligibility of each Party to acquire the Preferred Shares.

d . Information. Each Party and its advisors, if any, have been furnished with all materials relating to the business, finances and operations of the other Party, and materials relating to the exchange of the Common and Preferred Shares which have been requested by either Party or its advisors. Each Party and its advisors, if any, have been afforded the opportunity to ask questions of the other Party. Notwithstanding the foregoing, neither Party has not disclosed to the other Party any material nonpublic information and will not disclose such information unless such information is disclosed to the public prior to or promptly following such disclosure. Neither such inquiries nor any other due diligence investigation conducted by either Party or any of its advisors or representatives shall modify, amend or affect either Party's right to rely on the other Party's representations and warranties contained in this Agreement. Each Party understands that its acquisition of the Shares involves a significant degree of risk.

e . Governmental Review. Each Party understands that no United States federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Shares.

f . Transfer or Re-sale. Each Party understands that (i) the sale or re-sale of the Preferred Shares, or the underlying common shares that the Preferred Shares are convertible into has not been and is not being registered under the 1933 Act or any applicable state securities laws, and the Preferred Shares or the common shares underlying the Preferred Shares may not be transferred unless (a) the shares are sold pursuant to an effective registration statement under the 1933 Act, (b) NSH shall deliver to SHMP, at the cost of NSH, an opinion of counsel that shall be in form, substance and scope customary for opinions of counsel in comparable transactions to the effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration, (c) the shares are sold or transferred to an "affiliate" (as defined in Rule 144 promulgated under the 1933 Act (or a successor rule) ("Rule 144")) of NSH who agrees to sell or otherwise transfer the shares to be sold or transferred only in accordance with this Section 2(f); (ii) any sale of such shares made in reliance on Rule 144 may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any re-sale of such shares under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the 1933 Act) may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC thereunder; and (iii) neither Party nor any other person is under any obligation to register such Preferred Shares or the common shares underlying the Preferred Shares under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder (in each case).

g . Legends. Each of the Parties understand that the neither the Preferred Shares, nor the common shares underlying the Preferred Shares have not been registered under the 1933 Act and may be sold pursuant to Rule 144 or Regulation S without any restriction as to the number of securities as of a particular date that can then be immediately sold, the Preferred Shares or the common shares underlying the Preferred Shares may bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of the certificates for such shares):

"NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT."

The legend set forth above shall be removed and a certificate without such legend shall be issued to the respective holder of any Security upon which it is stamped, if, unless otherwise required by applicable state securities laws, (a) such Security is registered for sale under an effective registration statement filed under the 1933 Act or otherwise may be sold pursuant to Rule 144 or Regulation S without any restriction as to the number of securities as of a particular date that can then be immediately sold, or (b) such holder provides the other Party with an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of such Security may be made without registration under the 1933 Act. SHMP agrees to sell the NSH Shares, including those represented by a certificate(s) from which the legend has been removed, in compliance with NSH's shareholder agreement.

h. Authorization: Enforcement. This Agreement has been duly and validly authorized. This Agreement has been duly executed and delivered on behalf of each Party, and this Agreement constitutes a valid and binding agreement of each Party enforceable in accordance with its terms.

i. Organization and Qualification. Each Party is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, with full power and authority (corporate and other) to own, lease, use and operate its properties and to carry on its business as and where now owned, leased, used, operated and conducted. Each Party is duly qualified as a corporation to do business and is in good standing in every jurisdiction in which its ownership or use of property or the nature of the business conducted by it makes such qualification necessary except where the failure to be so qualified or in good standing would not have a Material Adverse Effect. "Material Adverse Effect" means any material adverse effect on the business, operations, assets, financial condition or prospects of either Party or its Subsidiaries, if any, taken as a whole, or on the transactions contemplated hereby or by the agreements or instruments to be entered into in connection herewith.

j. Authorization: Enforcement. (i) Each Party has all requisite corporate power and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby and thereby and to cancel the Common Shares and to issue the Preferred Shares, in accordance with the terms hereof and thereof, (ii) the execution and delivery of this Agreement and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by each Party's Board of Directors and no further consent or authorization of either Party, its Board of Directors, or its shareholders is required, (iii) this Agreement has been duly executed and delivered by each Party by its authorized representative, and such authorized representative is the true and official representative with authority to sign this Agreement and the other documents executed in connection herewith and bind each Party accordingly, and (iv) this Agreement constitutes a legal, valid and binding obligation of each Party enforceable against each Party in accordance with its terms.

k. Issuance of Preferred Shares. The Preferred Shares are duly authorized and will be validly issued, fully paid and non-assessable, and free from all taxes, liens, claims and encumbrances with respect to the issue thereof.

4. Covenants.

a. Conditions to Exchange. The obligation of each Party hereunder to exchange the Common Shares and Preferred Shares at the Closing is subject to the satisfaction, at or before the Closing Date of each of the following conditions thereto:

i. Each Party shall have executed this Agreement and delivered the same to the other Party.

ii. Each Party shall have delivered its respective Common or Preferred Shares to the other Party in accordance with Section 1(a) above.

iii. The representations and warranties of the Parties are true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date), and both Parties shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with at or prior to the Closing Date.

iv. No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

5. Governing Law; Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of Texas or in the federal courts located in the state of Texas. The parties to this Agreement hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based *uponforum non conveniens*. NSH and SHMP waive trial by jury. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

b . Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party.

c. Headings. The headings of this Agreement are for convenience of reference only and shall not form part of, or affect the interpretation of, this Agreement.

d . Severability. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

e . Entire Agreement; Amendments. This Agreement and the instruments referenced herein contain the entire understanding of the Parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither NSH nor SHMP makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by both Parties.

f . Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail , registered or certified , return receipt requested , postage prepaid , (iii) delivered by reputable air courier service with charges prepaid , or (iv) transmitted by hand delivery , telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine , at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing , whichever shall first occur. The addresses for such communications shall be:

If to NSH, to:

NaturalShrimp Holdings, Inc.
2068 N. Valley Mills Drive
Waco, TX 76710
Attn: Gerald Easterling

If to SHMP:

NaturalShrimp Incorporated
5080 Spectrum Dr., Suite 1000
Addison, TX 75001
Attn: Bill Williams

Each party shall provide notice to the other party of any change in address.

g . Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Neither Party shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other.

h . Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

i . Survival. The representations and warranties of the Parties and the agreements and covenants set forth in this Agreement shall survive the closing hereunder notwithstanding any due diligence investigation conducted by or on behalf of the Parties. Each Party agrees to indemnify and hold harmless the other Party and all their officers, directors, employees and agents for loss or damage arising as a result of or related to any breach or alleged breach by such Party of any of its representations, warranties and covenants set forth in this Agreement or any of its covenants and obligations under this Agreement, including advancement of expenses as they are incurred.

j . Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

k . No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned SHMP and NSH have caused this Agreement to be duly executed as of the date first above written.

NatrualShrimp Incorporated

NatrualShrimp Holdings, Inc.

Signed: _____
By: Bill G. Williams
Title: CEO

Signed: _____
By: Gerald Easterling
Title: President