

## ASX & Media Release

9 November 2016

### **CLEAN SEAS REPORTS STRONG START TO FY17**

Clean Seas Tuna Limited (ASX: CSS) is pleased to release an operational update and advise;

- Strong sales growth has continued, with the first four months sales of 714 tonnes being 59% above the 449 tonnes for the same period in FY16.
- Fish health and survival remains excellent
- FY17 guidance is maintained with target sales growth to 2,500 tonnes

### **Strong Sales Growth Continues – YTD October +59%**

Sales volumes have continued their growth trajectory in FY17 with the Company achieving a near 50/50 split between domestic and export sales:

- Australian sales increased 19% to 365 tonnes; and
- Export sales increased 149% to 349 tonnes.

Export growth was achieved mainly in the Europe region although USA and Asia also recorded good growth.

Fresh sales comprised 85% of volumes for YTD October 2016. Clean Seas is achieving better farm gate pricing in Australia than the previous year due to an 80 cent per kg (circa 4.8%) price increase implemented in early October 2016, being the first price increase in this market since 2013. Sales volumes have continued to grow despite this price increase.

### **Fish Health & Growth**

The Kingfish continue to maintain excellent health and survival rates which are consistently at world's best practice levels. The quality of the Clean Seas' Yellowtail Kingfish received recent endorsement in being awarded Best Fish at the Australian Food Awards.

Fish growth is seasonal and is usually minimal in the July to October period due to lower seawater temperatures in the Spencer Gulf. Growth year to date in FY17 has been below average, influenced by seawater temperatures that have been over 1 degree cooler than average. Sea temperatures have however reverted closer to average in early November. The Company notes that after a similar slower winter and spring growth profile in FY16, fish growth accelerated in the warmer summer and autumn months to more than compensate.

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## Share Purchase Plan and Proposed Placement

On 27 October the Company announced a Share Purchase Plan (SPP) which is underwritten to \$6 million and the proposed Placement of up to \$2 million to sophisticated and professional investors at the conclusion of the SPP.

The SPP provides eligible shareholders with the opportunity to apply for up to \$15,000 in shares at the lower of 3.9 cents per share or a 15% discount to the volume weighted average price for the 5 trading days up to and including the Closing Date of the SPP. Funds raised will be used to establish a new in-house fish processing facility that will deliver at least \$1 million of annual savings, provide infrastructure upgrades, sales and marketing initiatives to further increase sales and to reduce debt.

All Directors will be participating in the SPP at the maximum \$15,000 amount. It is noted that resolutions have been submitted to the AGM on 28 November 2016 for two Directors to also subscribe to a placement of up to an additional \$150,000 at the same issue price as the SPP.

The SPP is scheduled to close on Friday 18 November and applications or BPay payments must be submitted by that date. Shareholders who have not received their SPP documents or who require replacement documents should call the Boardroom Pty Ltd Clean Seas Shareholder Information Line on 1300 737 760 or +612 9290 9600 if outside Australia.

## Outlook

The Company is pleased with the;

- continuing affirmation of the quality of our Kingfish product as demonstrated by the recent award of Best Fish at the Australian Food Awards
- strong ongoing increase in sales, and
- premium pricing achieved in key markets, including the highest fish selling price reported by the Sydney Fish Market in FY16.

The Board confirms the guidance as provided in the SPP Investor Presentation which was released to the ASX on 27 October 2016 and is available on [www.cleanseas.com.au](http://www.cleanseas.com.au) under Investor Information / Announcements.

The Board notes that the inherent operational risks in aquaculture may impact future results.

Paul Steere  
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