

5<sup>th</sup> November 2018

## MARETERRAM OPERATIONS UPDATE

Australian agribusiness, Mareterram Limited (“**Mareterram**” or the “**Company**”) (ASX:MTM) wishes to advise that the 2018 fishing season is nearing completion in the MSC Certified Shark Bay Managed Fishery.

The Company has taken the decision to return nine out of ten of its trawlers to port for the remainder of the 2018 season which is scheduled to finish on the 16<sup>th</sup> November 2018. The Company is now in a position to provide an update for the Shark Bay prawn season to date through the following key operating metrics.

- Prawn catch volume for the 2018 fishing season will finish at circa 540mt, down from 830mt achieved in the 2017 fishing season.
- This will negatively impact performance for the twelve months to 31 December 2018.
- The average prawn size (grade) is higher across the total catch volume for the 2018 fishing season compared to the average prawn sizes realised across the 2017 fishing season. The higher average prawn size is expected to result in a higher average prawn catch price in the 2018 season compared to that achieved in the 2017 season. However, the higher average realised prawn price is not expected to produce an increase in revenue large enough to offset the fall in catch volume.
- Scallop catch volume for the 2018 fishing season to date is circa 35mt, down from 39mt achieved in the 2017 fishing season. The remaining quota is expected to be caught after the end of the 2018 financial year but prior to the start of the 2019 fishing season. Average scallop size (grade) landed to date in the 2018 fishing season is in line with scallop sizes realised across the 2017 fishing season.
- By-catch volume for the 2018 fishing season is expected to finish in line with by-catch volumes achieved in the 2017 fishing season.
- Total vessel refit, repairs and maintenance costs in the 2018 fishing season will be broadly in line with the 2017 fishing season.
- Total vessel operating costs in the 2018 fishing season will be broadly in line with the 2017 fishing season.
- 2018 crew share costs will be significantly lower than the 2017 fishing season due to the decrease in catch.
- 2018 group operational overheads are on track to be significantly lower than 2017.
- The net effect of the above operational metrics would be an increase in earnings on a comparable basis for the 6 months ending 31 December 2018, but a decrease in earnings on a comparable basis for the 12 months ending 31 December 2018.

Notwithstanding the fact that the 2018 Shark Bay prawn catch is expected to produce a decrease in revenue and earnings on a comparable basis for the 12 months ending 31 December 2018, the Company is well positioned to take advantage of a return to long term average prawn catches due to a continued management focus on leaner structures and reduced operational overheads while continuing to seek growth opportunities that will deliver value to shareholders.



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