

28 October 2016

Dear Shareholder

## INVITATION TO PARTICIPATE IN A SHARE PURCHASE PLAN

On 27 October 2016, Clean Seas Tuna Limited (ACN 094 380 435) (**Clean Seas** or the **Company**) announced its intention to undertake a Share Purchase Plan (**SPP**) and offer of a placement to sophisticated and professional investors (**Placement**) in order to facilitate investment in processing facilities, upgrade farm infrastructure, undertake sales and marketing initiatives and provide the Company with additional working capital / reduce debt. **These initiatives are critical elements arising from the recent Strategic Review to maintain Clean Seas' growth trajectory to and sound levels of profitability.**

**We note that the last capital raise undertaken by Clean Seas was in late 2013 and was to provide funding to increase production to 1,500 tonnes per annum. The Company in FY16 sold in excess of 2,000 tonnes and at June 2016 held over 2,500 tonnes of biomass.**

The Company is now pleased to make the SPP offer to Eligible Shareholders (defined below).

Under the SPP, the Company offers to Eligible Shareholders the opportunity to purchase up to \$15,000 worth of fully paid ordinary shares in the Company (**Shares**), irrespective of the size of their shareholding and without incurring brokerage or transaction costs, at an issue price per Share (**SPP Issue Price**) equal to the lower of:

- 3.9 cents; and
- a 15% discount to the volume weighted average price (**VWAP**) of Shares traded on ASX over the five trading days up to and including the date on which the SPP is scheduled to close (being 18 November 2016).

Therefore, the maximum price that Eligible Shareholders will pay is 3.9 cents per Share, which was calculated by applying a 10% discount to the VWAP of Shares traded on ASX over the five trading days up to and including Friday 21 October 2016, being the last day on which Shares were traded prior to the announcement of the SPP.

The Company will confirm the SPP Issue Price by announcement to ASX after the offer closes. Shares to be offered under the Placement will also be offered at the SPP Issue Price.

Further details of the SPP are set out in this letter and the enclosed terms and conditions (**Terms and Conditions**). A personalised application form for the SPP (**Application Form**) and reply paid envelope are also included in the package to shareholders.

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### Shareholders Eligible to Participate in the SPP

The right to participate in the SPP is available exclusively to shareholders who are registered as holders of Shares at 7:00pm (Adelaide time) on 26 October 2016 (the **Record Date**) and whose registered address is in Australia or New Zealand (**Eligible Shareholders**). Participation in the SPP is optional.

### Share Purchase Plan

The SPP entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares at the SPP Issue Price per Share.

The Company is targeting to raise \$6 million under the SPP. If demand for the SPP exceeds \$6 million, the Company reserves the right to close the SPP early and scale back applications in its sole and absolute discretion, in which case the Company will refund the relevant application monies received (without interest). The Company may also, at its discretion, accept applications in excess of \$6 million, subject to the maximum amount permitted under the ASX Listing Rules.

The Company has engaged Patersons Securities Limited (ABN 69 008 896 311) (**Patersons**) to underwrite and manage the SPP. The underwriting agreement contains customary conditions, warranties, undertakings and rights of termination exercisable by Patersons.

The closing date of the SPP is 5.00pm (Adelaide time) on 18 November 2016 (**Closing Date**).

### Placement

In connection with the SPP, the Company will offer the Placement to nominees of Patersons. It is intended that the Placement will raise up to a further \$2 million by the issue of Shares at the same price per Share as the SPP Issue Price.

### Current Activities

Details of the Company's current activities are set out in the announcements made by Clean Seas to the ASX and are available from the ASX, or Clean Seas' website at [www.cleanseas.com.au](http://www.cleanseas.com.au). **Please refer in particular to the Investor Update that was released to the ASX on 27 October 2016.**

### Use of Funds

The funds raised by the SPP and Placement will be used as follows;

- Establish a fish processing facility: \$1.8 million
- Upgrade farm infrastructure (cages, nets and associated infrastructure): \$1.6 million
- Undertake sales and marketing initiatives to achieve sales growth and improved pricing: \$1.0 million
- General working capital / debt reduction: \$3.6 million
- Total: SPP \$6.0 million + Placement \$2.0 million = \$8.0 million

### How much can you invest?

Eligible Shareholders may apply for a maximum of \$15,000 worth of Shares under the SPP.

## Subscription and Application Procedure

If you would like to participate in the SPP, you can either:

- Complete the enclosed Application Form and send it together with your payment by cheque made payable to “**Clean Seas Tuna Limited**” and drawn in Australian currency for the correct amount, to Clean Seas’ share registry, Boardroom Pty Ltd at GPO Box 3993, Sydney NSW 2001, Australia to be received by the share registry no later than **5.00pm (Adelaide time) on 18 November 2016**. ; or
- Make a BPAY<sup>®</sup> payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you have multiple holdings you will have multiple BPAY Reference Numbers. To ensure you receive your Shares under the SPP in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Application Form when paying for any Shares that you may wish to apply for in respect of that holding. If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded. **If you make your payment using BPAY<sup>®</sup> you do not need to return your Application Form.** New Zealand holders will not be able to make a payment using BPAY<sup>®</sup>. Payments made by BPAY<sup>®</sup> must be received by **5.00pm (Adelaide time) on 18 November 2016**. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

Applicants should not forward cash and direct bank transfers are not permitted.

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the SPP:

Offer	Total amount payable
Offer A	\$15,000
Offer B	\$10,000
Offer C	\$7,500
Offer D	\$5,000
Offer E	\$2,500
Offer F	\$1,000

The number of Shares to which you are entitled will be calculated by dividing the subscription amount you have elected by the SPP Issue Price. The SPP Issue Price will be determined on the Closing Date and announced by the Company to ASX.

Once an application has been made it cannot be revoked. If the exact amount of money is not tendered with your application, Clean Seas reserves the right to either:

- (a) return your Application Form and/or payment and not issue any Shares to you; or
- (b) issue to you the number of Shares equal to the application money divided by the SPP Price, rounded down to the next whole Share.

The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one offer under the SPP (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission does not exceed \$15,000.

Before applying for Shares and making payment, please read the Application Form accompanying this letter.

### **Custodians and Nominees**

Eligible Shareholders who hold Shares as a custodian, trustee or nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of A\$15,000 worth of Shares in respect of each Beneficiary who is resident in Australia or New Zealand, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

### **Calculation of SPP Issue Price and Acceptance of Risk Factors**

The SPP Issue Price will be equal to the lower of:

- 3.9 cents; and
- a 15% discount to the VWAP of Shares traded on ASX over the five trading days up to and including the Closing Date.

The maximum SPP Issue Price is therefore 3.9 cents.

On the last day on which Shares were traded prior to the announcement of the SPP, the closing price on ASX was 4.3 cents. The market price of Shares may rise and fall between the date of the SPP offer and the date that any Shares are issued to you as a result of your application under the SPP.

By making an application under this SPP, each Eligible Shareholder acknowledges that Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an offer and the date of issue of Shares under that offer and that the value of the Shares received under the SPP may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the SPP and consider price movements of Shares in the Company prior to making an application under the SPP.

### **Additional Information**

The offer of Shares under the SPP is made in accordance with ASIC Class Order 09/425 and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act (2001) (Cth).

The offer under the SPP cannot be transferred and the directors of the Company reserve the right in their absolute discretion to reject, or scale back, any application. Shares allotted under the SPP will

be issued as soon as practicable after the Closing Date. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

If the Company elects to scale-back your application, you will receive the number of Shares decided by the Company in its absolute discretion which may be less than the parcel of Shares for which you applied. In this case, the difference between the application money received, and the number of Shares allocated to you multiplied by the SPP Issue Price, will be refunded to you by direct credit (to your nominated account as recorded on Company's Share Register) or by cheque, as soon as practicable, without interest. Scale-back decisions are made by the Board and are final.

The Company reserves the right to amend the terms of the SPP in its sole and absolute discretion. The Company will notify ASX of any modification to, or termination of, the SPP. The omission to give notice of any modification to, or termination of, the SPP or the failure of ASX to receive such notice will not invalidate the modification or termination.

### **Foreign offer restrictions**

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

### **New Zealand Shareholders**

The Shares offered under the SPP are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the SPP offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

### **Shortfall Placement**

In the event that less than \$6 million is applied for under the SPP, the shortfall will be underwritten, or placed to third parties, by Patersons in accordance with the terms of the underwriting agreement between the Company and Patersons.

### Indicative Timetable

Event	Date
Record date for SPP (7.00pm Adelaide time)	Wednesday, 26 October 2016
Release of SPP offer documents on ASX	Thursday, 27 October 2016
Despatch of SPP offer documents to shareholders	Friday, 28 October 2016
Opening date of SPP offer	Friday, 28 October 2016
Closing date of SPP offer (5.00pm Adelaide time)*	Friday, 18 November 2016
Settlement of SPP*	Thursday, 24 November 2016
Issue of Shares under the SPP*	Friday, 25 November 2016
Quotation of Shares on ASX*	Monday, 28 November 2016
Despatch date for holding statements*	Tuesday, 29 November 2016

\* These dates are indicative only. The Company may vary the dates and times of the SPP without notice. Accordingly, shareholders are encouraged to submit their Application Forms as early as possible.

### Contact Details

Should you wish to discuss any information contained in this letter, do not hesitate to contact the Company Secretary, Mr Wayne Materne, on +61 (08) 8621 2900 or email: [wayne.materne@cleanseas.com.au](mailto:wayne.materne@cleanseas.com.au).

Yours faithfully



**David J Head**  
**Managing Director and CEO**  
**Clean Seas Tuna Limited**

**CLEAN SEAS TUNA LIMITED**  
**ACN 094 380 435**

**Shareholder Share Purchase Plan – Terms and Conditions**

**Purpose**

The purpose of the Shareholder Share Purchase Plan (the **Plan**) is to offer shareholders of Clean Seas Tuna Limited (**Clean Seas** or the **Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan) priced at the lower of 3.9 cents or a 15% discount to the volume weighted average trading price (**VWAP**) of Shares during the period 5 trading days prior to and including the closing date of the Plan on the financial market operated by ASX Limited (**ASX**) without the need to pay brokerage costs and without the need for Clean Seas to issue a Prospectus. The Plan is governed upon such terms and conditions as the board of directors of Clean Seas, in its absolute discretion, sees fit.

**Shareholders Eligible to Participate**

Holders of Shares that are registered with an Australian or New Zealand address at the relevant record date are eligible shareholders (**Eligible Shareholders**) and may participate in the Plan, unless such registered shareholder holds shares on behalf of another person who resides outside Australia or New Zealand. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

An offer may, at the discretion of the directors of Clean Seas (**Directors**), be made under the Plan once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is \$15,000. The Directors may also determine in their discretion the minimum amount for participation, the multiple of Shares to be offered under the Plan and the period the offer is available to Eligible Shareholders.

**Custodians, trustees and nominees**

If you are an Eligible Shareholder and hold the Shares as a custodian (as defined in ASIC Class Order [CO 09/425] (refer below) (**Custodian**) or in any more specific ASIC relief granted to Clean Seas in relation to the Plan), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as custodian provided you annexe to your Application Form a certificate to Clean Seas (**Custodian Certificate**) with the following information:

- that you held Shares on behalf of one or more other persons who are resident in Australia or New Zealand (each a **Participating Beneficiary**) at 5:00pm (Adelaide time) on 26 October 2016 who have subsequently instructed you to apply for Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;

- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied under the Plan for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order [CO 09/425] you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;
- is exempt from holding an Australian financial services licence by virtue of Class Order [CO 03/184] or by relying on the Australian financial services licence of your master custodian under regulation 7.1.06(k) of the Corporations Regulations 2001;
- is a trustee of a self managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes (as defined by ASIC Class Order (CO 02/296);
- is noted on the Company's register of members as holding the shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request Custodian Certificate and if you would like further information on how to apply, you should contact Boardroom Pty Ltd at any time from 8.30am to 5.00pm (Sydney time) Monday to Friday during the offer period.

Clean Seas reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. Clean Seas reserves the right to reject applications in accordance with these Terms and Conditions.

### **Applications and Notices**

At the discretion of the Directors, Clean Seas will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Shares under the Plan, and accompanied by these Terms and Conditions of the Plan and an Application Form. Applications will not be accepted



after the closing date of the offer.

Notices and statements made by Clean Seas to participants may be given in any manner prescribed by its Constitution.

**Brokerage and transaction costs**

No brokerage or other transaction costs will apply to the acquisition of Shares under the Plan. The only cost to you is the issue price of the Shares.

**Dispute Resolution**

Clean Seas may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or (Shares. The decision of Clean Seas in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

Clean Seas reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of Clean Seas under these conditions may be exercised by the directors of Clean Seas or any delegate of the directors of Clean Seas.