

## ASX & Media Release

27 October 2016

### UNDERWRITTEN SHARE PURCHASE PLAN

The Directors of Clean Seas Tuna Limited (Clean Seas) (ASX: CSS) are pleased to announce the opportunity for existing shareholders to participate in an underwritten Share Purchase Plan (SPP).

The SPP offers eligible shareholders in Australia and New Zealand the opportunity to subscribe for up to \$15,000 of fully paid ordinary shares in Clean Seas without incurring brokerage. The funds raised under the SPP will be used to fund continued growth and development of the business as outlined in the recently announced strategic update.

The key features of the SPP are:

- Shares will be offered at the lower of 3.9 cents per share or a 15% discount to the volume weighted average price (VWAP) for the 5 trading days up to and including the Closing Date of the SPP;
- Patersons Securities Limited (Patersons) is acting as Lead Manager to the SPP and has underwritten the SPP to an amount of \$6.0 million; and
- There are no transaction costs to participants.

The maximum price under the SPP of 3.9 cents represents a 10% discount to the VWAP for the last 5 trading days in Clean Seas shares prior to the SPP being announced. The Offer has been structured to provide attractive pricing for shareholders to invest additional equity in the Company.

The Directors reserve the right to accept additional applications, to close the SPP early if there is strong demand, and to allocate less than the number of shares applied for and apply a scale back to the extent and in the manner that they see fit.

On completion of the SPP, the Company will offer a placement of up to \$2.0 million to sophisticated and professional investors nominated by Patersons at the same price that shares will be issued under the SPP.

Funds being raised will be used to support the growth and development of the business:

- \$1.8 million to establish a state of the art fish processing facility;
- \$1.6 million to fund Kingfish farm infrastructure upgrades;
- \$1.0 million for sales and marketing initiatives designed to facilitate increased global sales and improved farm gate prices; with
- The balance of funds to provide general working capital and reduce debt

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These initiatives align with key outcomes of the recently completed Strategic Review as detailed in our 7 October 2016 announcement and letter to shareholders. This letter outlined:

- Annual savings of at least \$1 million expected to be realised by replacing outsourced processing with a state of the art processing facility operated by Clean Seas;
- The need to upgrade farm infrastructure following reduced capital expenditure over recent years;
- A new brand positioning and marketing campaign to reposition Australian Hiramasa Kingfish as a premium seafood and underpin increased sales and a phased increase in farm gate prices in those export markets that have previously been price driven; and
- Other activities including ongoing research and development, product development and our Taurine Deficient Feed litigation against Gibson's Limited (trading as Skretting Australia).

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.

### **Information for Eligible Shareholders**

Shareholders who are registered as at 7.00pm (Adelaide time) on 26 October 2016 (Record Date), and have a registered address in Australia and New Zealand (Eligible Shareholders) are invited to participate in the Company's capital raising initiative. The SPP provides the opportunity for Eligible Shareholders to purchase up to \$15,000 of Clean Seas ordinary shares (Shares) at the lower of 3.9 cents per Share or a 15% discount to the ASX volume weighted average price for the 5 trading days up to and including the Closing Date of the Offer.

Eligible Shareholders are able to purchase from an amount of \$1,000 of Shares or up to \$15,000 worth of Shares without incurring brokerage or transaction costs. All new Shares issued under the SPP will rank equally with existing ordinary shares in the Company.

Eligible Shareholders will be sent an offer letter, which will include the terms and conditions of the Offer to enable them to consider the investment. The SPP, including eligibility, is subject to the more detailed SPP rules which prevail to the extent of any inconsistency.

The SPP has been underwritten by Patersons Securities Limited ABN 69 008 896 311 (Underwriter) to an amount of \$6.0 million (Underwritten Amount). If Applications are not received for the Underwritten Amount, Clean Seas will place to nominees of the Underwriter any Shares that have not been applied for by Eligible Shareholders up to the Underwritten Amount (Shortfall Shares). The underwriting agreement contains customary conditions, warranties, undertakings and rights of termination exercisable by Patersons.

The anticipated timeline for the SPP is as follows;

**Indicative Timetable**

Event	Date
Record date for SPP (7.00pm Adelaide time)	Wednesday, 26 October 2016
Announcement Date	Thursday, 27 October 2016
Opening date of SPP offer	Friday, 28 October 2016
Closing Date of the SPP offer (5.00pm Adelaide time)	Friday, 18 November 2016
Allotment of Shares under the SPP	Friday, 25 November 2016
Quotation of Shares on ASX	Monday, 28 November 2016

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.

We thank our shareholders for your ongoing support of Clean Seas and encourage you to take advantage of the investment opportunity presented by the Share Purchase Plan.

Paul Steere  
Chairman

David Head  
Managing Director and CEO

**For further information, please contact;**

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