

13 FEBRUARY 2012  
COMPANY ANNOUNCEMENT

AUSTRALIAN SECURITIES EXCHANGE LIMITED

### **CLEAN SEAS TUNA - MARKET UPDATE**

Clean Seas Tuna Limited (ASX: "CSS") provides the following market update on operations and anticipated financial results for the half year ended 31 December 2011.

#### **First Half Results**

Audited half year results will be reported on 22 February 2012 and a material reduction, in the order of 40%-to-50%, is anticipated in the pre-tax loss for the period, compared to the first half results in FY2011 (\$13.3 million loss).

This materially improved result reflects the success of the Company's ongoing program of reducing costs and improving operations in the face of economic hurdles, such as the high exchange rate.

Shareholders should note that the best growing conditions for Yellowtail Kingfish in Spencer Gulf occur in the second half of each financial year and that only limited growth is achievable with the lower temperature regime experienced in the first half.

#### **Tuna Spawnings & Juvenile Production**

As reported on 9 January 2012, Clean Seas achieved early success with its previously announced strategy of bringing forward spawning from the Company's Southern Bluefin Tuna (SBT) broodstock.

SBT broodstock spawned from early December 2011, which is significantly earlier than the previous year. Overall results to date indicate that the Company is likely to at least double the number of juveniles produced in last season's trials. These juveniles will either be transferred to sea cages or retained onshore in environmentally controlled facilities for ongoing R&D grow-out trials.

We are pleased to report that this summer's trials have enabled our research and development and production teams to make further significant progress in the development of protocols to improve juvenile SBT survival in the early stages of life.



## Yellowtail Kingfish Operations

The Company continues to improve its financial performance for this division as it moves towards establishing this outstanding species for long term sustainable production in Spencer Gulf, South Australia.

Despite record strength in the Australian Dollar, the Company continues to increase its net farmgate price expressed in Australian Dollars and has now rebalanced production/sales and demand now exceeds supply.

As part of the Company's strategy to further consolidate its operations and improve production costs and efficiencies, grow-out sites at Whyalla are being followed and fish have been transferred to Arno Bay and Port Lincoln. Plans for further consolidation and cost reductions are being advanced.

In addition to the challenges facing the Company as a consequence of the high Australian Dollar, our Yellowtail Kingfish production (in particular with regard to YC2012 juveniles) has been impacted over the summer by unusually bad weather which in turn has resulted in health implications and a higher than anticipated rate of mortalities.

## Outlook

The Company anticipates that the Yellowtail Kingfish health difficulties currently being experienced will impact the results of the company for the full year. It is not possible to accurately forecast the extent of the impact at this time. Cash management remains crucial to the future of Clean Seas, and current projections indicate the Company has adequate funding for operations for CY2012.

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