



Murray Cod

Australia Limited

Australia's Premium Native Fish

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15 November 2017

MECHANICAL FAILURE AND INSURANCE UPDATE

KEY POINTS:

- **Mechanical failure resulted in fish mortalities**
- **Comprehensive insurance policy in place includes cover on all fish stock**
- **MCA preliminary assessment is that it is not anticipating any material economic loss from this event (apart from 5% excess on value of deceased fish stock)**

Murray Cod Australia Ltd (ASX:MCA) advises that on 13 November staff discovered the aeration systems on one of the Company's 12 ponds was not operating.

As a result in a pond containing approximately 20,000 fish mortalities of 7,924 fish totalling approximately 8,798 kg have been observed. The wholesale value of these fish is approximately \$175,960.

Due to rigorous emergency procedures implemented by staff 60% of the stock in the pond were able to be saved despite the severe drop in dissolved oxygen (DO) that had occurred overnight.

An investigation by MCA discovered that the monitoring system MCA had purchased from an external supplier failed to provide warning of this drop in DO levels. MCA has recently developed its own monitoring technology which is proving to be extremely reliable. This has been installed on each of the new ponds commissioned by MCA and was scheduled to be installed on the older ponds in coming weeks. Unfortunately it had not been installed on this pond before the failure occurred.

All mortalities have been removed from the pond and disposed of. The remaining fish are being monitored and MCA anticipates there will be a small percentage of additional mortalities over the next few days as a result of the stress the fish have suffered.

Regular night patrols by MCA staff have been implemented to monitor ponds for the next few weeks until reliable monitoring and alarm systems are installed on the older ponds.

Company expects all losses to be covered by insurance

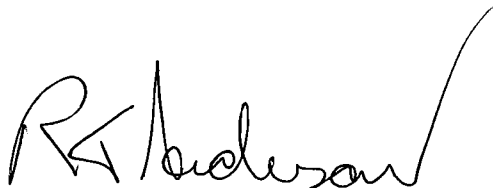
MCA has moved quickly to commence the process of recovering losses as a result of this event. A claim was lodged on 13 November 2017 with MCA's insurer and an insurance assessor attended the site yesterday on behalf of the insurer.

MCA has a comprehensive insurance policy which includes cover on all fish stock (including suffocation) and business interruption cover which includes loss of gross profit. The excess to be borne by MCA on fish stock is 5% of the value of the stock which will not materially impact MCA's existing cash reserves.

Whilst the claim has not yet been processed by the insurer MCA's preliminary assessment is that the event will be covered by MCA's insurance policy. Accordingly, other than the payment of excess, MCA is not anticipating any material economic loss as a result of this event. MCA will keep the market updated as to the outcome of its claim in accordance with its continuous disclosure obligations.

The Company requests the trading halt on its securities be lifted.

Yours faithfully

A handwritten signature in black ink, appearing to read 'R Anderson', with a long, sweeping flourish extending upwards and to the right.

Ross Anderson
Chairman
Murray Cod Australia Ltd