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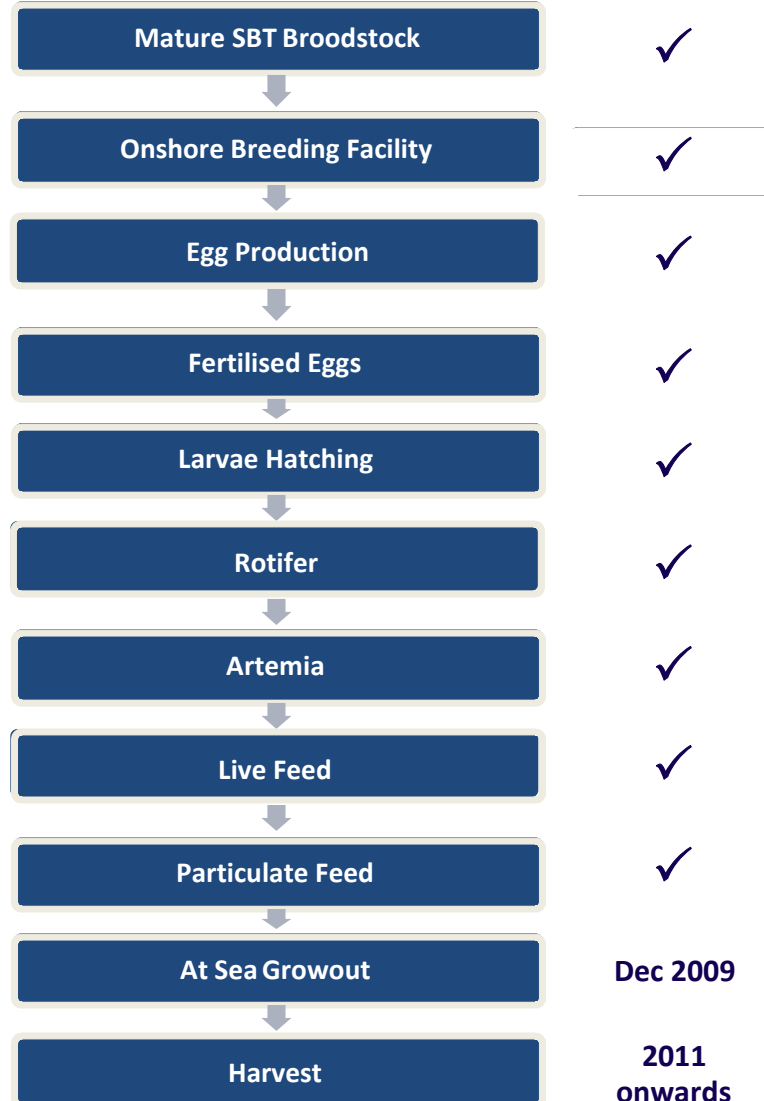
Company Announcements
 Australian Securities Exchange Limited

INVESTOR MARKET UPDATE

Clean Seas Tuna Ltd (“Clean Seas”) wishes to update shareholders on developments in the Company’s Southern Bluefin Tuna (“SBT”) breeding program, Kingfish and Mulloway Operations and provide a 2H 2009 Profit Update.

1. SBT Breeding Update

As shareholders may be aware, Clean Seas has been successful in breeding and growing out SBT. A number of milestones have been achieved in FY2009, as noted below;



Clean Seas is holding R&D quantities of aquaculture produced juvenile SBT in two experimental tanks at its Arno Bay facility in South Australia. The oldest of these fish are now 125 days and 30 cm in length. Both these attributes are world firsts for aquaculture produced SBT and all Bluefin Tuna outside of Japan. According to world renowned scientists' predictions, these breakthroughs are the key to opening up a new industry for sustainable aquaculture bred tuna.

In light of these encouraging results, Clean Seas has:-

- i. Commissioned construction of a special purpose SBT larval rearing facility, designed in co-operation with AKVA Group, the European designers of Clean Seas' onshore SBT broodstock facility. The design of this advanced recirculation facility is at present going through a rigid evaluation and assessment process and the facility is scheduled for completion in time for the Company's first commercial run of SBT fingerlings in December 2009;
- ii. Transferred additional SBT broodstock from sea cages into the onshore SBT breeding facility to assist in achieving a commercially successful spawning result; and
- iii. Re-directed some of the resources currently deployed in the Kingfish and Mulloway business towards SBT (see section 4 below).

These initiatives place the Company on track for the production of an estimated 25,000 environmentally sustainable SBT juveniles for commercial growout trials commencing early CY2010.

Advances have also been made in the critical area of pelletised feeds. The SBT pellet feed trials conducted since January 2009 in conjunction with Australian Tuna Fisheries Pty Ltd support the commercial potential of these alternate feeds. Pellet feeds are essential for the long term sustainable production of aquaculture bred SBT. The first trial utilizing an Hayashikane Sangyo/Ridley pellet formulation fed 3 year old catch and grow SBT and achieved a 4:1 food conversion ratio, an excellent result for fish of this age.

2. Northern Bluefin Tuna ("NBT") Developments

Recent developments overseas have given Clean Seas greater confidence for the likely market demand for aquaculture bred SBT. The recent Mediterranean Northern Bluefin Tuna ("NBT") catch, which finished in June 2009, was ~16,000 tonnes. This compares to the current annual NBT quota in the Mediterranean of 22,000 tonnes and the Greenpeace claimed actual catch of 61,000 tonnes in 2007.

This rapid decline in biomass, catch and average size of NBT in the Mediterranean has led to calls for a moratorium on wild caught NBT. Clean Seas notes the UK's Fisheries Minister, Huw Irranca-Davies and France's President Sarkozy have both called for NBT to be listed on the register of the Convention for International Trade in Endangered Species at its next meeting in March 2010. If this occurred, there would be a prohibition on the commercial fishing of and trade in NBT.

Consumers throughout the world are also acknowledging that NBT are becoming overfished. Protests by high profile actors such as Elle Macpherson, Sienna Miller and Charlize Theron have been effective in raising European and US public consciousness as to the dwindling resources of NBT. The Robert de Niro owned

Nobu restaurant chain now advises their patrons that NBT is “environmentally threatened”. In Hong Kong a number of hotels, clubs and restaurant chains have agreed not to stock wild caught tuna.

It is against this background that Clean Seas’ plan to produce aquaculture-bred environmentally friendly and sustainable SBT is being implemented.

3. Kingfish and Mulloway Operations

During FY2009, the Company completed the acquisition and commissioning of automated feed and harvesting systems for a 4,000 ton p.a. Yellowtail Kingfish operation. In addition, Clean Seas has retained the services of Dr. Clive Talbot, an internationally recognized feed expert from the University of Aberdeen. Dr Talbot is assisting the Company in the refinement of the feeding regime to maximize use of the automated systems. The combination of the new regime and these systems have the potential to materially improve growth and food conversion ratios. Savings of up to \$8 million p.a. in feed costs and labour efficiency are anticipated for FY2010.

The Company’s recently appointed CEO, Clifford Ashby, has completed his review for the Board of all post harvest activities for the Kingfish and Mulloway division. The key recommendations of the review, which have been endorsed by the Board for implementation, include:-

- Ceasing production of Mulloway and selling off remaining inventories of this surrogate species over the next 12 months to free up plant for utilization in SBT production;
- A reduction in annual Yellowtail Kingfish fingerling production from 1.25 million fingerlings to 1.0 million fingerlings this season;
- Formalisation of distribution agreements for the domestic, North American and European markets;
- Appointment of an experienced master distributor for Asia with the capacity to efficiently service China, Hong Kong, Taiwan, and Macau, as well as South-east Asia ;
- Improving the efficiency and costs of processing;
- The production cycle for Kingfish to be limited to two summers growth unless against specific profitable contracts for three summer 7+ kg fish; and
- A significant inventory write down for Mulloway and excess Kingfish stocks to enable timely clearance and facilitate the entry into new markets.

Negotiations commenced with international groups regarding sales and distribution of Kingfish and Mulloway into greater China have commenced and provide considerable opportunities. Clean Seas is also examining the prospect of processing of its fish offshore.

Clean Seas remains confident of its capacity to achieve a \$3 per kg EBITDA YTK margin by FY2011.

4. FY2009 Results

In light of the most encouraging results achieved from the March 2009 SBT spawning and growout, Clean Seas directors have decided to “clear the decks” as part of the finalisation of FY2009 accounts. This has included;

- Writing down Mulloway inventories by ~\$2.2 million to a carrying value of ~\$4.3 million;
- Writing down Kingfish inventories by ~\$4.9 million to their carrying value of ~\$38.2 million, and writing off ~\$1.2 million spent on new market entry costs;
- Expensing ~\$3.7 million in SBT development costs post capitalisation of \$2.1 million of SBT development costs in accordance with accounting standards; and
- Interest and financing expenses of \$1.6 million and depreciation and amortisation of ~\$1.8 million.

The net result of this is anticipated to be, subject to final audit, a Loss after Tax for 2H2009 of approximately \$6 million compared to 1H2009 audited post tax loss of \$6.6 million. Having “cleared the decks” for the sale of excess inventories and the costs of new market entry, Clean Seas expects an operating profit for the Kingfish division for FY2010.

The considerably better margins that are available from SBT in the medium term have caused a refocussing of Clean Seas’ business priorities towards SBT. This has included;

- Diverting some of the resources which would have otherwise been utilised in Kingfish and the majority of resources otherwise utilised in Mulloway to SBT;
- Lowering Kingfish fingerling production from 1.25 million to 1.0 million fingerlings to ensure the SBT division operates without capacity limitations; and
- Utilising some of the existing Kingfish and Mulloway inventories for market entry/development strategies into new Asian offshore markets where the Company’s medium term preference will also be to market SBT.

The FY2009 year has been a challenging one for Clean Seas’ management and staff. Amongst the issues that have been faced were;

- A fire in February 2009, which destroyed feed and equipment at Port Lincoln, delayed the introduction of automated feeding systems equipment by 4 months;
- Challenges arising from the initial co-production of SBT and Kingfish fingerlings without a special purpose SBT larval rearing facility;
- Placing the Port Augusta hatchery on a care and maintenance only program;
- Significant upgrades to the Arno Bay hatchery to accommodate R&D SBT fingerling production;
- Commissioning of automated feeding systems at both Fitzgerald Bay and Arno Bay and an automated harvesting vessel;

- Working with 5 Kingfish processors, none of which are automated, throughout Australia; and
- Other feed inefficiencies and costs arising from the out of balance inventory position, changes in diet formulations and stocking densities – unanticipated costs of \$1.3 million net..

The Clean Seas Board appreciates the hard work and ingenuity of its staff in dealing with these issues. The Company has learnt a great deal over the FY2009 year. The many positive operational improvements that have been made should flow through to greatly enhance financial performance in FY2010.

5. FY2010 Objectives

Having cleared the decks both financially and operationally in FY2009, Clean Seas' key objectives for FY2010 are:

- Completing the upgrade of the Arno Bay SBT hatchery and larval rearing facilities in 1H FY2010;
- SBT spawning in November-December FY 2010;
- Production of 25,000 SBT juveniles for commercial growout;
- An enhancement of Clean Seas sales and marketing platforms, with the priority being into Greater China;
- Sale of all of Clean Seas Mulloway excess inventory;
- Sales of ~5,000 tonnes of Kingfish;
- Materially improved Food Conversion ratios for Kingfish production; and
- Negotiating appropriate arrangements with Strategic Partners.

Clean Seas recognises that it must continue to improve. The profitability of the Kingfish business must be optimised while the longer term upside from SBT is being achieved. The Board views FY2010 as the "changeover year".

6. Overall

While FY2009 was a tough year financially for Clean Seas and the world economy, the Directors:

- Are proud of the achievements made in breeding and growing out SBT during FY2009;
- Are well placed to achieve the target of growing out 25,000 SBT juveniles in 2010;
- Are positive on the prospects for Kingfish business in FY2010 and beyond; and
- Are implementing pre and post harvest strategies that should lead to improved near term margins for the Kingfish business.

The Company is positioned to be the first in the world to market commercial quantities of environmentally sustainable, aquaculturally produced Bluefin Tuna. Given the increasing pressure on the world's Bluefin Tuna stocks through tighter quota and catch restrictions, Clean Seas is fortunate to have enjoyed outstanding R&D success with the closure of the SBT lifecycle. We look forward with confidence to coming years and our first commercial production and grow-out of environmentally sustainable SBT.

We thank shareholders for their continued support and look forward to an improved performance in FY2010.

Hagen Stehr AO
Chairman

Clifford Ashby
Chief Executive Officer

