



31 October 2008

Company Announcements  
Australian Securities Exchange Limited

## **CASH FLOW COMMENTARY**

As Clean Seas continues to increase the biomass of live fish to a mid term target of 5,000 tonnes there will be a continuing requirement for additional cash due to the sale lag time and the cost of carrying increasing volumes of inventory.

Clean Seas currently has 3,500 tonnes of biomass in the water and would expect to reach the 5,000 tonne level by April 2009. The company is actively working to more evenly match growth with sales requirements. This will take some pressure off cash requirements

Farming operations have a lag time between the cost of growing the product and the cash flow from the sale of the product. Kingfish farming requires a 16 month initial growing season and the product is then sold over a 12 month period.

Extended credit terms with the principle feed supplier to the company has resulted in the largest cash flows taking place in the periods when the least feed is being used. This is reflected at 1.2(e) other working capital in the cash flow statement.

1.9 in the cash flow statement reflects continuing expenditure on infrastructure to reduce fish growout costs. A dedicated harvest vessel was commissioned for service in September 2008.

Clean Seas has committed facilities of \$27.0 million in place with Rabobank Australia to facilitate this growth. This facility has been increased from \$20.8 million. The directors believe this facility will allow Clean Seas to fund the mid term inventory target of 5,000 tonnes.

Frank Knight  
(Company Secretary)

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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Clean Seas Tuna Limited

ABN

61 094 380 435

Quarter ended ("current quarter")

30<sup>th</sup> September 2008

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date ( 3 months ) \$A'000
1.1 Receipts from customers	6,522	6,522
1.2 Payments for (a) staff costs	(2,342)	(2,342)
(b) advertising and marketing	(88)	(88)
(c) research and development		
(d) leased assets		
(e) other working capital	(10,243)	(10,243)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	5	5
1.5 Interest and other costs of finance paid	(393)	(393)
1.6 Income taxes paid		
1.7 Other (AusIndustry Grant Received) (Expenses incurred in Capital Raising)	206	206
<b>Net operating cash flows</b>	<b>(6,333)</b>	<b>(6,333)</b>

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date ( 3 months ) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(6,333)</b>	<b>(6,333)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(2,767)	(2,767)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>(2,767)</b>	<b>(2,767)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(9,100)</b>	<b>(9,100)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	8,700	8,700
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)		
<b>Net financing cash flows</b>	<b>8,700</b>	<b>8,700</b>
<b>Net increase (decrease) in cash held</b>	<b>(400)</b>	<b>(400)</b>
1.21 Cash at beginning of quarter/year to date	736	736
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	<b>336</b>	<b>336</b>

**Notes :**

**1.2(e) The majority of working capital for the quarter has been spent on fish grow out costs.**

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	54
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil
1.26	Explanation necessary for an understanding of the transactions - Office rental payments. (\$10) - Premises rental (\$4) - Boat hire (\$25) - Bait purchases (\$10) - Boat repairs(\$5)	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil
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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil
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**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	27,000	18,000
3.2	Credit standby arrangements (Letter of Credit)	2,442	2,442

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Curent quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	336	736
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.23)		336	736

**Acquisitions and disposals of business entities**

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	Nil	Nil
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: ....31 October 2008 .....  
(Director/Company secretary)

Print name: ....Frank Knight.....

**Notes**

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1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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