

31 August, 2010

Company Announcements
Australian Securities Exchange Limited

**Clean Seas Tuna Ltd (CSS): Market Release
Results for the Year Ended 30 June 2010**

We attach the preliminary unaudited financial results for the year ended 30 June 2010.

Frank Knight

Company Secretary



Appendix 4E
Clean Seas Tuna Limited
ABN 61 094 380 435
Preliminary Consolidated Final Report Financial
Year Ended 30 June 2010

Results for announcement to the market:

Results		% Change	\$'000
Revenues from ordinary activities	Up	30%	39,470
Profit from ordinary activities before tax	Down	35%	(24,775)
Net profit for the period attributable to members	Down	25%	(15,651)
Earnings per share (cents per share)*	Up	38%	(5)
Dividends			
There will not be a dividend declared or paid for the Year Ended 30 June 2010			

*Earnings per share value has been impacted by the issue of 216 million shares in FY 2010.

FINANCIAL RESULTS COMMENTARY FY 2010

Clean Seas Tuna Limited today announced an unaudited post tax loss of \$15.6 million for the 12 months ended 30 June 2010.

As the Investor Update of 10 August 2010 provides detailed information regarding the results, a summary of the main points in that release follows:

- The 2H2010 result (loss of \$1.5 million) has significantly improved over 1H2010 (loss of \$14.1 million) and 2H2009 (loss of \$5.9 million).
- The 2H2010 improvement resulted from decreased costs, improved productivity (including summer growth), increased farmgate prices and a change in strategic direction. The cost reductions achieved are mainly of a recurring nature.
- The Company has largely cleared its excess Kingfish inventory and is moving towards a balance between production and sales for its Kingfish division. This will enable a further increase in farmgate prices during the coming year.
- The Company is presently debt free and current forecasts indicate it has sufficient cash reserves for all planned operations in FY2011.
- In the Southern Bluefin Tuna (SBT) project, the Company has strengthened its research and development capability via its Industry Partnership Agreement with the Seafood CRC and FRDC complementing the Company's own research and development activities, facilities and personnel.
- Following a three month spawning season in FY2010, the Company remains confident that it will achieve significant progress with SBT fingerling production and at sea growout trials in the coming spawning season.

The Company believes it is now on track for the Yellowtail Kingfish division to become cash flow positive for FY2011 and then moving to profitability in the near term. Whilst the advancement of the SBT project did not progress at the rate anticipated for last summer's trials, with the completion of the new larval rearing facility, the on-going dedication of the hatchery personnel and the extended R&D team and partners, the Company is confident that it is well positioned to continue building on the knowledge gained as it strives to become the first Company in the world to close the lifecycle of the SBT.

Whilst overall progress is slower than originally anticipated, the Company is now operating with a focused and higher level of rigour and discipline which will result in steady progress.

For a more detailed explanation regarding this Results Announcement, please refer to the Investor Update of 10 August 2010 and the Half Year Reports and Accounts Announcement of 26 February 2010.

Clifford Ashby
Managing Director

31 August 2010



CLEAN SEAS TUNA LTD

and its controlled entities

ABN 61 094 380 435

Appendix 4E: Preliminary Financial Report for the Year Ended 30 June 2010

Appendix 4E
Preliminary Consolidated Final Report

Clean Seas Tuna Limited
Preliminary Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2010

	Note	Clean Seas Tuna Limited	
		2010 \$'000	2009 \$'000
Revenue	3	39,409	30,285
Other income	3	61	173
		<u>39,470</u>	<u>30,458</u>
Net gain/(loss) from SGARA valuation of biological assets (fish stock)		(11,862)	4,573
Changes in inventories of finished goods and work in progress		415	1,940
Foreign currency instrument revaluation		-	349
Employee benefits expense		(11,326)	(10,603)
Fish husbandry expense		(20,380)	(25,776)
Fish processing and selling expenses		(14,289)	(11,760)
Depreciation and amortisation expenses	4	(2,892)	(2,604)
Other expenses		(3,448)	(3,403)
Total expenses excluding financing costs		<u>(63,782)</u>	<u>(47,284)</u>
Interest revenue		441	60
Financial costs	4	(904)	(1,612)
Net financing costs		<u>(463)</u>	<u>(1,552)</u>
Net profit/(loss) before income tax expense		<u>(24,775)</u>	<u>(18,378)</u>
Income tax (expense)/benefit		9,124	5,816
Net profit/(loss) from continuing operations		<u>(15,651)</u>	<u>(12,562)</u>
Other comprehensive income		-	-
Total comprehensive income for the period		<u>(15,651)</u>	<u>(12,562)</u>
Earnings per share from continuing operations			
Basic earnings per share (cents per share)	7	(4.84)	(7.77)
Diluted earnings per share (cents per share)	7	(4.84)	(7.77)

The consolidated statement of comprehensive income is to be read in conjunction with the discussion and analysis in the attached press release and the notes to and forming part of the financial statements set out on pages 6 to 10.

Clean Seas Tuna Limited
Preliminary Statement of Financial Position as at 30 June 2010

	Note	Clean Seas Tuna Limited 2010 \$'000	2009 \$'000
Current Assets			
Cash and cash equivalents		5,803	13,836
Trade and other receivables		3,810	4,167
Prepayments		362	447
Processed inventory		5,226	4,872
Consumables inventory		1,337	1,710
Derivative receivable		-	349
Biological assets		24,400	36,262
Total current assets		40,938	61,643
Non-Current Assets			
Prepayments		-	116
Property, plant and equipment		32,660	27,749
Biological assets		2,811	2,751
Deferred tax assets		17,630	7,140
Other non-current assets		13,155	13,155
Intangible assets		12,844	10,585
Total non-current assets		79,100	61,496
Total Assets		120,038	123,139
Current Liabilities			
Trade and other payables		6,074	17,785
Borrowings		-	27,000
Provisions		507	699
Total current liabilities		6,581	45,484
Non-Current Liabilities			
Deferred grant income		4,098	3,812
Provisions		316	207
Total non-current liabilities		4,414	4,019
Total Liabilities		10,995	49,503
Net Assets		109,043	73,636
Equity			
Issued capital		136,969	86,152
Reserves		817	576
Retained earnings		(28,743)	(13,092)
Total Equity		109,043	73,636

The statement of financial position is to be read in conjunction with the discussion and analysis in the attached press release and the notes to and forming part of the financial statements set out on pages 6 to 10.

Appendix 4E
Preliminary Consolidated Final Report

Clean Seas Tuna Limited
Preliminary Statement of Changes in Equity for the Year Ended 30 June 2010

Notes	Ordinary Shares \$'000	Converting Notes \$'000	Retained Earnings \$'000	Option Reserve \$'000	Total \$'000
Balance at 1 July 2008	61,910	1,230	(530)	336	62,946
Total comprehensive income for the period	-	-	(12,562)	-	(12,562)
Cost of options issued during the period	-	-	-	240	240
Shares issued during the period	23,974	-	-	-	23,974
Net cost of issue	(962)	-	-	-	(962)
Notes converted during the period	1,230	(1,230)	-	-	-
Balance at 30 June 2009	86,152	-	(13,092)	576	73,636
Total comprehensive income for the period	-	-	(15,651)	-	(15,651)
Cost of options issued during the period	-	-	-	241	241
Shares issued during the period	54,000	-	-	-	54,000
Net cost of issue	(3,183)	-	-	-	(3,183)
Balance at 30 June 2010	136,969	-	(28,743)	817	109,043

The statement of changes in equity is to be read in conjunction with the discussion and analysis in the attached press release and the notes to and forming part of the financial statements set out on pages 6 to 10.

Appendix 4E
Preliminary Consolidated Final Report

Clean Seas Tuna Limited
Preliminary Statement of Cash Flows for the Year Ended 30 June 2010

	Note	Clean Seas Tuna Limited 2010 \$'000	2009 \$'000
Cash Flows from Operating Activities			
Receipts from customers		39,167	27,056
Receipts from grants		334	911
Payments to suppliers and employees		(59,146)	(45,338)
Dividends received		-	-
Interest received		441	60
Insurance claim		-	500
Finance costs		(849)	(1,570)
Income taxes paid		-	-
Net Cash Used in Operating Activities		(20,053)	(18,381)
Cash Flows from Investing Activities			
Payments for purchase of property, plant and equipment		(8,025)	(5,916)
Payment for Tuna research costs capitalised		(2,259)	(2,527)
Proceeds on disposal of non-current assets		1	57
Net cash provided by / (used in) investing activities		(10,283)	(8,386)
Cash Flows from Financing Activities			
Proceeds from issue of shares		54,000	23,975
Payments for costs incurred in capital raising		(4,547)	(1,376)
Proceeds from borrowings		-	17,700
Repayment of borrowings		(27,150)	(431)
Net cash provided by/(used in) financing activities		22,303	39,868
Net increase/(decrease) in cash held		(8,033)	13,101
Cash at the beginning of the year		13,836	735
Cash at the end of the year		5,803	13,836

The statement of cash flows is to be read in conjunction with the discussion and analysis in the attached press release and the notes to and forming part of the financial statements set out on pages 6 to 10.

Clean Seas Tuna Limited
Notes to the Financial Statements for the Year Ended 30 June 2010

1 Reporting entity

The financial report covers the entity Clean Seas Tuna Ltd and its wholly owned subsidiary Clean Seas Aquaculture Growout Pty Ltd. Clean Seas Tuna Ltd is a listed public company, incorporated and domiciled in Australia. The company's registered office is 7 North Quay Boulevard, Port Lincoln, SA, 5606.

This financial report for the year ended 30 June 2010 was authorised for issue by the directors on 31 August 2010.

2 Basis of preparation

(a) Statement of compliance

The preliminary financial report has been prepared in accordance with Accounting Standard AASB 1039 "Concise Financial Reports", the recognition and measurement requirements of applicable AASB standards, the Corporations Act 2001 and the Appendix 4E to the Australian Stock Exchange listing rules.

The preliminary financial report is to be read in conjunction with the 2009 annual financial report, the December 2009 half-year report and any public announcements by Clean Seas Tuna Limited during the year in accordance with continuous disclosure obligations arising under the Corporations Act 2001 and the requirements of the Listing Rules of the Australian Securities Exchange.

(b) Basis of preparation

The financial report has been prepared on the basis of historical cost and, except where stated, does not take into account changing money values or fair values of non current assets.

The preliminary financial report does not include full note disclosure of the type normally included in an annual financial report.

(c) Functional and presentation currency

The financial statements are presented in Australian dollars.

The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars except where stated.

(d) Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the preliminary financial report are consistent with those adopted and disclosed in the consolidated entity's 2009 annual financial report for the year ended 30 June 2009, other than as detailed below. Where appropriate, figures for the comparative period have been restated to make them comparable with the disclosures adopted for the financial year ended 30 June 2010.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In water fish held for sale are valued at their fair value less estimated point-of-sale costs determined as an average sale value in the four weeks post balance date. At 30 June 2010 the Company has 3,226,909 kilograms of fish in water held for sale value

Clean Seas Tuna Limited
Notes to the Financial Statements for the Year Ended 30 June 2010

Significant accounting policies (continued)

(e) Biological Assets

Biological assets include fish held for sale and broodstock. These are valued under AASB141.

In June 2009 the valuation reflected the estimate of the cash flows that would be derived from the sales of fish over the next twelve months. This estimate was based on the current selling price and projected selling trends. The directors have changed the valuation method in the 2010 financial year to reflect the fair value less estimated point-of-sale costs determined as an average sale value in the four weeks post balance date.

Broodstock is valued at fair value. The net cash flows from production of kingfish and mullock fingerlings is minimal. The southern bluefin tuna broodstock have yet to generate positive cash flows. The directors have determined that currently, the cost of broodstock best approximates fair value. This will be reviewed annually. Broodstock will be amortised over their effective breeding life commencing when the commercialisation phase of the project is achieved. The death of a broodstock fish is not reflected as an impairment of the assets provided there are sufficient broodstock on hand to support the project objectives.

(f) Economic Dependency

The company is well advanced with the closure of the SBT life cycle and the project is now close to entering the commercialisation phase. Clean Seas continues to remain economically dependent on continued success in raising debt and/or equity required to advance the project

Clean Seas Tuna Limited
Notes to the Financial Statements for the Year Ended 30 June 2010

3 Revenue and other income

Revenue

	2010	2009
	\$'000	\$'000
<i>Sales Revenue</i>		
Sale of fingerlings	205	221
Sale of finfish	32,993	27,138
Sale of value added fish	5,554	2,511
	<u>38,752</u>	<u>29,870</u>
<i>Other Revenue</i>		
Other	657	415
	<u>657</u>	<u>415</u>

Total Revenue

39,409	30,285
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	2010	2009
	\$'000	\$'000
<i>Other Income</i>		
Profit/(loss) on disposal of property, plant and equipment	(221)	21
Administration fee	72	63
Grant income	210	89
	<u>61</u>	<u>173</u>

4 Expenses

Profit/(loss) before income tax includes the following specific expenses

	2010	2009
	\$'000	\$'000
<i>Depreciation and amortisation expenses</i>		
Buildings and dams	511	501
Plant and equipment	2,280	1,999
Motor vehicles	101	104
	<u>2,892</u>	<u>2,604</u>
<i>Finance costs</i>		
Interest paid/payable	904	1,612
	<u>904</u>	<u>1,612</u>

5 Comparison of Half-Year Profit/(Loss)

	2010	2009
	\$'000	\$'000
Net profit/(loss) attributable to members of the Company reported for the first half-year	(14,164)	(6,670)
Net profit/(loss) attributable to members of the Company for the second half-year	(1,487)	(5,892)
	<u>(15,651)</u>	<u>(12,562)</u>

Clean Seas Tuna Limited
Notes to the Financial Statements for the Year Ended 30 June 2010

	2010	2009
6 Ratios		
(a) Net tangible asset (NTA) backing		
Net tangible assets per ordinary share	\$0.23	\$0.31
Calculated as net assets less intangible assets less outside equity interests in those assets over the total number of shares on issue		
(b) Other ratios		
Profit/(loss) before tax / revenue	(62.1%)	(60.2%)
Calculated as profit from ordinary activities before related income tax expense as a percentage of total revenues		
Profit/(loss) after tax / equity interests	(14.4%)	(17.1%)
Calculated as net profit attributable to members of the Company as a percentage of equity attributable to members		
7 Earnings per Share		
	2010	2009
(a) Basic earnings per share (cents/share)		
Profit/(loss) from continuing operations attributable to the ordinary equity holders of the company	(4.84)	(7.77)
(b) Diluted earnings per share (cents/share)		
Profit/(loss) from continuing operations attributable to the ordinary equity holders of the company	(4.84)	(7.77)
(c) Reconciliations of earnings used in calculating earnings per share		
	2010	2009
	\$'000	\$'000
<i>Basic earnings per share</i>		
Profit/(loss) from continuing operations	(15,651)	(12,562)
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share	(15,651)	(12,562)
<i>Diluted earnings per share</i>		
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share	(15,651)	(12,562)
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	(15,651)	(12,562)
(d) Weighted average number of ordinary shares used as the denominator	2010	2009
Number for basic earnings per share	323,526,383	161,681,465
Effect of potential ordinary shares	1,600,000	1,761,644
Number for diluted earnings per share	325,126,383	163,443,109

Clean Seas Tuna Limited
Notes to the Financial Statements for the Year Ended 30 June 2010

	2010	2009
	\$'000	\$'000
8 Retained Profits/(Losses)		
Balance at the beginning of the year	(13,092)	(530)
Net profit/(loss) attributable to members of the Company	(15,651)	(12,562)
Balance at the end of the year	<u>(28,743)</u>	<u>(13,092)</u>

Clean Seas Tuna Limited
Compliance Statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and authorative pronouncements and interpretations or other standards acceptable to the ASX.
- 2 This report, and the accounts upon which the report is based, use the same accounting policies
- 3 This report gives a true and fair view of the matters disclosed.
- 4 This report is based on accounts which are in the process of being audited.
- 5 The accounts on which this report is based are not likely to be subject to dispute or qualification.
- 6 The entity has a formally constituted audit committee.

Dated at Port Lincoln this 31st day of August 2010.

Signed in accordance with a resolution of the directors.



Clifford Ashby

Managing Director