

CLEANSEAS TUNA LIMITED ANNUAL GENERAL
MEETING - 15 November 2011

CHAIRMAN'S ADDRESS

Performance

Moving now to the performance of Clean Seas during the past 12 months and what lies ahead of the Company in the current financial year and beyond.

In general terms, the unprecedented volatility in global financial markets and the testing and uncertain economic conditions across the globe, have ensured that 2011 is another very challenging year for all entities.

Against that backdrop, it is therefore pleasing that the Board and management have been able to make progress in the past year with their priority focus of advancing our pace-setting Southern Bluefin Tuna breeding program and making the transition towards profitability of the Kingfish business.

Southern Bluefin Tuna

With our Southern Bluefin Tuna operations (which I will refer to as "SBT" throughout my address), the Clean Seas team achieved a world "first" in March this year with the successful transfer of 149 juvenile SBT into a sea cage from our Arno Bay breeding facility in South Australia.

This achievement, while meeting our expectations of a very low mortality rate both during and immediately after transfer of the fingerlings, eventually saw the SBT juveniles succumb to the cold winter ocean temperatures. This was as anticipated, and the experience gained from the process - and the more-than-100 days they were at sea - was enormous. We have already identified areas for improvement in the coming breeding season and Paul will bring those details to you during his presentation, including a timetable aimed at having the SBT juveniles in the ocean when water temperatures are not so cold and therefore not so threatening.

We are very proud of this breeding breakthrough but remain clearly mindful that Clean Seas is still very much in the research and development phase for SBT. While it is premature to forecast exactly when our progress might lead to commercialization, it is

clear that our latest achievement represents a rapid and significant step towards that main goal.

A significant amount of funding – with Seafood CRC and FRDC support – is being invested in the ongoing SBT program. I am pleased to advise that last year's initiative of installing a program with a full research team with its own on-site recirculation research system, will be further funded for the coming three years.

This project follows the success of the 2011 breeding season which provided a greater level of research under controlled conditions, as well as effective communication between all researchers and the ease of integrating research findings into the proposed commercial protocols.

The achievements and forward progress made by your Company in 2011 would not be as rapid without the great team of researchers and our own staff, working towards that common goal of commercialization of SBT from on-shore, tank-spawned eggs – yet to be achieved anywhere in the world.

Clean Seas and its shareholders greatly appreciate the work of all of our research partners and it is pleasing to note the assistance that Japan's Kinki University has provided – and continues to provide. In addition, the efforts of the University of Tasmania, the University of the Sunshine Coast, Flinders University, Darwin Aquaculture Centre, the New South Wales Department of Primary Industry and the South Australian Research Centre are invaluable and cannot be faulted.

Also, on behalf of our Board, management and shareholders, our sincere thanks to the Company's General Manager – Hatcheries, Morten Deichmann, and his production and research and development teams for the many long hours and hard work that went in to making the 2011 spawning season a success. We look forward to Morten and the team building on that achievement with the spawning planned for coming weeks.

Kingfish

In some respects, the progress of our Kingfish business has been pushed into the background by the internationally-recognised breakthrough achieved by our Southern Bluefin Tuna breeding program.

We assure you that the targets set by Clean Seas for the Kingfish operations have been met with pleasing success in the past year and – while also acknowledging that, like the SBT program, the Kingfish business growth has a long way to go – we look forward to continued progress in the current year.

With the Kingfish becoming such a sought-after, premium species, we are starting to see the positive results from the efforts of our marketing staff over the past two years, and the quality, reliability and consistency of product is making our fish sought after by chefs in both the fine and Japanese dining sectors.

Reflecting this demand, the price of Kingfish rose substantially during the year and despite the appreciation of the Australian dollar, farm-gate prices were up 15% on the previous year. The impact of the devastating tsunami that hit Japan assisted sales of other fish suppliers, as fears of radiation affecting the Japanese-exported product turned away many of their customers to the products of Clean Seas and others.

It is disappointing that we were unable to fully capitalize on the increased number of enquiries as our earlier decision to cut back Kingfish production to better match pre-tsunami market demand left us with potential customers we could not service. Our sympathies go out to all those in Japan affected by the tsunami and we wish them, and their aquaculture and fishing businesses, a speedy economic recovery.

Most significantly for Clean Seas and its shareholders, the upshot of our decision to better match our Kingfish production with demand – combined with the overall increase in farm-gate prices and successful cost savings – was the Clean Seas Kingfish business returning a positive cash flow for the year.

With the expertise and guidance of our Director of Marine Operations, Marcus Stehr, and Marine Growout Manager, Mike Thomson, the company is working towards profitability in the Kingfish business in the short term.

Board and Management changes

During the year, Sir Tipene O'Regan resigned as a Director of Clean Seas Tuna following a transition period. On behalf of my co-Directors, I would like to thank Sir Tipene for his contribution to

the Board over the years he served the Company and for his thoughtful and incisive guidance.

Also during the year under review, Peter Housden was appointed a Director in December 2010. Peter brought substantial accounting, financial management and governance experience to our Board, including assuming the Chair of our Audit and Remuneration Committee. We have benefited from Peter's position on the Board and it is therefore disappointing that, as recently advised, due to personal commitments, Peter needed to withdraw his nomination for re-election to the Board and retires today as a Director. Thank you Peter for your contribution to Clean Seas.

Shareholders will be aware that Clifford Ashby resigned as Managing Director and CEO of Clean Seas in August to take up a senior position with an Australian agribusiness group.

Clean Seas has undertaken an international search for a person suitable to assume the key executive position at Clean Seas and to take the Company forward to its next stage of development. We have been most pleased with the calibre of people we have interviewed for the position – from within Australia and internationally - and your Board expects to make an announcement on the new CEO within a few weeks with the aim to have the new CEO involved with this year's SBT spawning season.

We are fortunate that the substantial commercial expertise of Clifford Ashby is not being lost to Clean Seas as he will continue with the Company as a non-executive Director.

We thank Clifford for his contribution as an executive which was during a period of milestone achievements in the Clean Seas Tuna businesses. All the best Clifford.

Clean Seas is also fortunate that one of the Company's existing Directors, Paul Steere, agreed to assume the role of interim CEO in the event that a replacement CEO was not appointed prior to Mr Ashby's departure. Paul – with his extensive aquaculture and commercial experience over many years in New Zealand – is doing a great job for the Company and its shareholders, and we thank him for taking on the role at short notice.

Funding

In March 2010, the Company placed \$6.9 million worth of shares to a leading international aquaculture investor, Mr Frode Teigen. As well as the significance of Mr Teigen choosing to add Clean Seas to his stable of global aquaculture industry investments, the placement of shares assisted your Company in ensuring it remained debt free and assisted with the funding of the SBT lifecycle program.

Since the end of the year under review, the Company earlier this month announced details of a Share Purchase Plan (SPP) to raise up to \$5 million.

Funds raised under the SPP will supplement the Company's reported 30 September 2011 cash balance of \$7.3 million and will be utilised in funding SBT grow-out and development programs during calendar year 2012. The SPP is capped at \$5 million and closes on 2 December 2011. Shareholders registered on 1 November have the option of subscribing for \$1,000, \$2,500, \$7,500 or \$15,000 worth of shares at \$0.08 per share. The offer price represents a significant discount of 14% (approx) to the average closing price of CSS shares in the five days leading up to the SPP announcement.

Summary / Outlook

Twelve months ago I expressed the Board's confidence in the Company's ability to achieve success in the longer term, despite the significant challenges that confronted us during 2009-2010, and the difficulties encountered with our SBT and Kingfish operations.

Today, my level of confidence and that of my co-Directors has grown, especially after the achievements of the past financial year and the continued progress in the opening months of 2011-2012.

As part of that progress, you will recall that one of the few "positives" in the 2009-2010 financial year was the Company's ability to do what no one else had been able to do, and propagate the premium SBT 100% onshore.

This has been followed in the last year by the world "first" transfer of SBT fingerlings from our own hatchery to at-sea cages.

Significantly, that milestone achievement of the past year has not been tempered by the series of under-achievements and difficulties that confronted Clean Seas in prior years.

The opening months of the new financial year have been positive for the Company, with the Kingfish business continuing to be cash-flow positive and Group results overall well ahead of the same period last year.

The Board is confident of building on our improved 2010-2011 operating results which saw a sharp reduction in the Company's pre-tax operating loss from \$24.8 million in 2009-2010 to a pre-tax loss of \$14.7 million from operations in the 12 months ended 30 June 2011.

There has been further solid improvement in sales returns and cash management in the first quarter of the current financial year and our bottom-line result is ahead of budget.

Our continued focus on cutting costs and reducing the Company's cash utilisation rate saw cash held at the end of the September 2011 quarter totalling \$7.3 million compared with cash on hand of \$5.1 million at the end of the previous corresponding quarter.

From an operational perspective, the SBT breeding program and our developing Kingfish operations remain at the forefront of our business activities.

We are already pleased with the significant achievements made towards better accommodating the SBT cycling and how that will enhance the upcoming spawning season. For instance, the Company's Yellowtail Kingfish spawning program has been successfully advanced by nearly two months which is enabling the early transfer of all Yellowtail Kingfish fingerlings to sea cages.

The Company will benefit from this change to its production schedule through improved growth from its Kingfish juveniles providing improved overall survival along with better meeting customer weight preferences on a more consistent basis throughout the harvest season.

It will also clear the way for our specialist personnel being totally dedicated to the SBT spawning and fingerling production from December 2011 and beyond with spawning scheduled to begin some six weeks earlier than the prior season.

It is now anticipated that this revised schedule will enable the transfer of SBT fingerlings to at-sea cages at optimum sea

temperatures within the summer, assisting juvenile growth with greater resilience towards survival through the 2012 winter season.

Ladies and Gentlemen, as I mentioned at the start of my address, Clean Seas is well aware of the road ahead towards achieving commercial and profitable SBT and Kingfish businesses.

As I also said, our confidence is building and we look forward to the current year and beyond for further achievements by the Clean Seas team.

My sincere thanks to my colleagues on the Board and to Clean Seas management for their continuing hard work and dedicated efforts. Our management team is small and well run and the personnel are all “goers” who love to take up a challenge.

On behalf of the Board, my thanks to Clean Seas shareholders for their continued patience as the Company moves forward with its strategic plans for the SBT and Kingfish businesses.

John Ellice-Flint
Chairman of Directors