



**CLEAN SEAS TUNA LIMITED**

ABN 61 094 380 435

**APPENDIX 4D STATEMENT - HALF YEAR REPORT**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET  
HALF-YEAR ENDED 31 DECEMBER 2011**

(Comparative figures being the half-year ended 31 December 2010)

Revenue	down	36.5%	to	\$ '000 <b>13,341</b>
Loss from ordinary activities before tax	down	46.7%	to	<b>(7,068)</b>
Loss from ordinary activities after tax attributable to members.	down	24.3%	to	<b>(7,068)</b>
Loss for the period attributable to members.	down	24.3%	to	<b>(7,068)</b>
Net tangible asset backing per ordinary share	down	24.7%	to	<b>\$ 0.12</b>

Dividends.	cents/share	<u>Amount per security</u> Nil
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Record date for determining entitlements to dividends. No dividend declared

Consistent with the decision taken in June 2011 not to carry forward income tax benefits as an asset in the accounts the income tax benefit attributable to the December 2011 loss has not been recognised in the Consolidated Statement of Comprehensive Income for the period ended 31 December 2011.

Details of the Group's performance for the first six months of FY 2012 are attached to this notice.

This report is all the half year information provided to the Australian Securities Exchange under listing rule 4.2A. The report also satisfies the half year reporting requirements of the Corporations Act 2001.

This half year financial report should be read in conjunction with the 2011 annual financial report.

22 February 2012

Company Announcement

Australian Securities Exchange Limited

## Clean Seas Tuna

### Improved Results Performance for First Half FY2012

Clean Seas Tuna (ASX:"CSS") provides the following comment on the Company's improved financial results for the half-year ended 31 December 2011.

The reduced first half pre-tax loss of \$7.068 million is a 46% improvement on the December 2010 loss of \$13.273 million, and is at the top end of recent guidance.

The Company also expects an improvement in its full-year result.

Our Southern Bluefin Tuna fingerlings continue to grow in our temperature controlled on land facility. At the moment we are weaning approximately 1500 juveniles at a size of thirty to fifty millimetres. A further two tanks of larval tuna are still being reared. We will wean a significant number of juveniles and hold them on shore, for release into sea pens at a later stage in the year, in a progression of our life cycle research. We are encouraged by this increase in juveniles from this season's spawning, which is now complete and that we have made significant improvements in understanding how to rear tuna juveniles.

The Company has managed to achieve significantly improved farm gate returns for its kingfish business in spite of a much higher Australian dollar. We are continuing to focus on methods to further reduce the cost of production of yellowtail kingfish.

We have also recently advised of adverse weather and biological conditions retarding performance of our production kingfish. Strategies are in place to mitigate those challenges to ensure best value is obtained from current supply limitations within our markets.

While the Company expects that results for the second half will be impacted by the challenges indicated, current limitations suggest that a material improvement will nevertheless be reflected in the full-year results compared with the previous year.

Currently we are reviewing our operations to identify further requirements to optimise the performance of the kingfish, to enable an expansion of profitable production in the future. The Company, through its marketing efforts, has managed to position this fish domestically and internationally as a premium fish which already appears in the best restaurants in Europe, Asia, America and Australia.

The Company also announces that Mr John Ellice-Flint has advised the Board of his decision to step down as Chairman and as a Director of Clean Seas Tuna, effective 31<sup>st</sup> May 2012.

The Board has approved the appointment of existing Director, Mr Paul Steere, as Chairman elect. Mr Steere, who joined Clean Seas as an independent Director in May 2010, was Chief Executive of New Zealand's largest aquaculture finfish company, NZ King Salmon, for 16 years to 2009.

Mr Ellice-Flint joined the Board as Chairman in 2009, bringing strategic and leadership skills with a focus on research and corporate governance. The Board thanks Mr Ellice-Flint for his contribution as Chairman, and for his role in tightening the strategic direction of the Company, ensuring an analytical approach and being such a strong advocate for Clean Seas, its operations and its people.

Mr Ellice-Flint said he was proud to have assisted the Company with its restructuring program, including securing the services of both the Chairman elect, Mr Paul Steere, and the new CEO, Mr Craig Foster.

"I am confident that I will be leaving Clean Seas in good hands under the direction of Paul Steere and Craig Foster given their wide and varying experience in the aquaculture industry," Mr Ellice-Flint said.

Dr Craig Foster  
Chief Executive Officer  
08 86212903



## **CLEAN SEAS TUNA LIMITED**

and its Controlled Entities  
ABN 61 094 380 435

### **Appendix 4D : Half-Year Report (Pursuant to Listing Rule 4.2A)**

### **Financial Report for the Half-Year Ended 31 December 2011**

(The Half-Year financial report does not contain all the notes of the type normally included in an Annual Financial Report. Accordingly it is recommended that the Half-Year report is read in conjunction with the Annual Financial Report of Clean Seas Tuna Limited for the financial year ended 30 June 2011 together with any public announcements made by Clean Seas Tuna Limited and its controlled entities during the half-year ended 31 December 2011 in accordance with the continuous disclosure requirements of the Listing Rules of The Australian Securities Exchange)

# **CLEAN SEAS TUNA LIMITED**

ABN 61 094 380 435

**HALF-YEAR ENDED 31 DECEMBER 2011**

## **DIRECTORS' REPORT**

Your directors submit the financial report of the Group, consisting of Clean Seas Tuna Limited and the entities it controlled at the end of or during the half-year, for the half-year ended 31 December 2011.

### **Directors**

The names of directors who held office during or since the end of the half-year:

Mr. John Ellice-Flint (Chairman)	Appointed 2 December 2009
Mr. Hagen Stehr AO	Appointed 5 September 2000
Mr. Marcus Stehr	Appointed 5 September 2000
Mr. Clifford Ashby	Appointed 2 December 2009
Mr. Paul Steere	Appointed 20 May 2010
Mr. Peter Housden	Appointed 14 December 2010, resigned 15 November 2011
Mr. Paul Robinson (Alternate for Mr. Hagen Stehr AO)	Appointed 9 December 2005

Mr. Craig Foster has been appointed as CEO from January 2012.

### **Company Secretary**

Mr. Frank Knight Appointed 1 February 2006

### **Review of Operations**

The Directors review of the operations of the Group during the half-year and the results of those operations are set out in the attached Results Announcement for the half-year.

### **Rounding of Amounts**

The Group has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

### **Auditor's Declaration**

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3 for the half-year ended 31 December 2011.

Signed in accordance with a Resolution of the Board of Directors.



J. Ellice-Flint  
Chairman

22 February 2012

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF CLEAN SEAS TUNA LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Clean Seas Tuna Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

*Grant Thornton*

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP  
Chartered Accountants



S.J. Gray  
Partner

Adelaide, 22 February 2012

**Clean Seas Tuna Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the half year ended 31 December 2011**

	Note	Consolidated Half-Year	
		31-Dec-11 \$ '000	31-Dec-10 \$ '000
Revenue	2(a)	12,975	20,797
Other Income	2(b)	195	87
		13,170	20,884
Net gain/(loss) arising from changes in fair value of grow out Kingfish and Mulloway		(3,987)	(9,575)
Change in inventories of finished goods and work in progress		307	(4,990)
Employee benefits expense		(4,760)	(5,246)
Fish husbandry expense		(5,189)	(4,342)
Fish processing and selling expense		(4,547)	(6,051)
Depreciation and amortisation expense	2(c)	(1,642)	(1,482)
Other expenses		(579)	(2,586)
Total expenses, excluding net financing costs		(20,397)	(34,272)
Interest revenue		171	124
Financial expenses	2(c)	(12)	(9)
		(7,068)	(13,273)
<b>Net profit/(loss) before income tax</b>			
Income tax (expense)/benefit		-	3,942
<b>Net profit/(loss) from continuing operations</b>		(7,068)	(9,331)
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		(7,068)	(9,331)
<b>Earnings per share from continuing operations</b>			
Basic earnings per share (cents per share)	4	(1.46)	(2.23)
Diluted earnings per share (cents per share)	4	(1.46)	(2.23)

The accompanying notes form part of this financial report.

**Clean Seas Tuna Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2011**

	Note	Consolidated	
		31-Dec-11 \$ '000	30-Jun-11 \$ '000
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		7,275	7,481
Trade and Other Receivables		2,196	3,614
Prepayments		818	507
Processed Inventory		308	627
Consumable Inventory		1,117	1,257
Biological Assets		12,334	16,631
<b>TOTAL CURRENT ASSETS</b>		<b>24,048</b>	<b>30,117</b>
<b>NON-CURRENT ASSETS</b>			
Biological Assets		2,823	2,817
Property, Plant and Equipment		30,309	30,532
Other Non-Current Assets		13,155	13,155
Intangible Assets	7	16,450	15,273
<b>TOTAL NON-CURRENT ASSETS</b>		<b>62,737</b>	<b>61,777</b>
<b>TOTAL ASSETS</b>		<b>86,785</b>	<b>91,894</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables		3,675	3,250
Provisions		702	700
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,377</b>	<b>3,950</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Grant Income		4,025	4,050
Provisions		179	186
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4,204</b>	<b>4,236</b>
<b>TOTAL LIABILITIES</b>		<b>8,581</b>	<b>8,186</b>
<b>NET ASSETS</b>		<b>78,204</b>	<b>83,708</b>
<b>EQUITY</b>			
Issued Capital		145,355	143,838
Reserves		1,021	974
Retained Earnings		(68,172)	(61,104)
<b>TOTAL EQUITY</b>		<b>78,204</b>	<b>83,708</b>

The accompanying notes form part of this financial report.



**Clean Seas Tuna Limited**  
**Consolidated Statement of Changes in Equity**  
**For the half year ended 31 December 2011**

	<b>Ordinary shares \$ '000</b>	<b>Options reserve \$ '000</b>	<b>Retained earnings \$ '000</b>	<b>Total \$ '000</b>
Balance as at 1 July 2010	136,969	817	(28,743)	109,043
Total comprehensive income for the period	-	-	(9,331)	(9,331)
Cost of options issued	-	122	-	122
Balance as at 31 December 2010	<u>136,969</u>	<u>939</u>	<u>(38,074)</u>	<u>99,834</u>
Balance as at 1 July 2011	143,838	974	(61,104)	83,708
Total comprehensive income for the period	-	-	(7,068)	(7,068)
Shares issued during the period	1,622	-	-	1,622
Net cost of issue	(105)	-	-	(105)
Cost of options issued	-	47	-	47
Balance as at 31 December 2011	<u>145,355</u>	<u>1,021</u>	<u>(68,172)</u>	<u>78,204</u>

The accompanying notes form part of this financial report.

**Clean Seas Tuna Limited**  
**Consolidated Statement of Cash Flows**  
**For the half year ended 31 December 2011**

Note	Consolidated Half-Year	
	31-Dec-11 \$ '000	31-Dec-10 \$ '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	14,479	21,912
Receipts from AusIndustry Grant	217	-
Receipt from insurance claim	353	-
Payments to suppliers and employees	(14,632)	(21,403)
Interest received	171	124
Finance costs	(12)	(9)
<b>NET CASH PROVIDED BY/(USED) IN OPERATING ACTIVITIES</b>	<b>576</b>	<b>624</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant and equipment	(1,142)	(937)
Payment for Tuna development costs capitalised	(1,176)	(764)
Proceeds on disposal of non-current assets	19	19
<b>NET CASH PROVIDED BY/(USED) IN INVESTING ACTIVITIES</b>	<b>(2,299)</b>	<b>(1,682)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	1,622	-
Payments for costs incurred in capital raising	(105)	-
<b>NET CASH PROVIDED BY/(USED) IN FINANCING ACTIVITIES</b>	<b>1,517</b>	<b>-</b>
Net change in cash held	(206)	(1,058)
Cash and cash equivalents at beginning of period	7,481	5,802
Cash and cash equivalents at end of the period	<b>7,275</b>	<b>4,744</b>

The accompanying notes form part of this financial report.

## **1 Basis of Preparation**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Clean Seas Tuna Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2011, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2011, except for the adoption of Improvements to AASBs 2010 (2010 Improvements) as of 1 January 2011. The 2010 Improvements made several minor amendments to AASBs. The relevant amendments and their effects on the current period or prior periods are described below.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

### **Amendments to AASB 134 Interim Financial Reporting**

The amendments clarified certain disclosures relating to events and transactions that are significant to an understanding of changes in the Group's circumstances since the last annual financial statements. The Group's interim financial statements as of 31 December 2011 reflect these amended disclosure requirements, where applicable.

### **Use of Estimates and Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

### **Key Estimates**

#### *Impairment*

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

The key assumptions supporting value in use calculations have been reviewed from those used at 30 June 2011. Discount rates reflecting the 10 year bond rate plus a risk factor of 20% have been used in determining the net present value of estimated future cash flows.

### **Going Concern Basis of Accounting**

The financial report has been prepared on the basis of a going concern.

The Group incurred a loss of \$7.068 million for the half-year ended 31 December 2011. The Group continues to remain economically dependent on raising debt and / or equity to advance the SBT project. The Group requires ongoing support of financiers, future capital raising and / or an increase in profits generated from the business to continue as a going concern.

If support from financiers and / or equity raising do not eventuate, and / or profits generated do not increase, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

**Clean Seas Tuna Limited**  
**Notes to the Consolidated Interim Financial Report**

	<b>Consolidated Half-Year</b>			
<b>2 Profit/(loss) for the half-year</b>	<b>31-Dec-11</b>	<b>31-Dec-10</b>		
Profit/(loss) for the half-year includes the following items of revenue and expense:	<b>\$ '000</b>	<b>\$ '000</b>		
<b>(a) Revenue</b>				
Sale of fingerlings	-	89		
Sale of value added fish products	1,792	2,543		
Sale of finfish	11,183	18,165		
<b>Total revenue</b>	<b>12,975</b>	<b>20,797</b>		
<b>(b) Other income</b>				
Other	195	87		
<b>Total other income</b>	<b>195</b>	<b>87</b>		
<b>(c) Expenses</b>				
Depreciation of non-current assets	1,642	1,482		
<b>Total depreciation</b>	<b>1,642</b>	<b>1,482</b>		
Bank fees	12	9		
<b>Total finance costs</b>	<b>12</b>	<b>9</b>		
<b>3 Issued capital</b>				
	<b>31-Dec-11</b>	<b>30-Jun-11</b>	<b>31-Dec-11</b>	<b>30-Jun-11</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$ '000</b>	<b>\$ '000</b>
<b>(a) Share capital</b>				
Ordinary shares fully paid	501,098,164	480,829,414	145,355	143,838
<b>Total issued capital</b>	<b>501,098,164</b>	<b>480,829,414</b>	<b>145,355</b>	<b>143,838</b>
<b>(b) Movements in ordinary share capital</b>				
<b>Date</b>	<b>Details</b>	<b>Number of shares</b>	<b>\$ '000</b>	
<b>01-Jul-11</b>	Opening balance	480,829,414	143,838	
<b>02-Dec-11</b>	Share purchase plan	20,268,750	1,622	
	Cost of issue		(105)	
	Closing balance	501,098,164	145,355	
<b>4 Earnings per share</b>				
			<b>Consolidated</b>	
			<b>31-Dec-11</b>	<b>31-Dec-10</b>
Total number of ordinary shares issued			<b>501,098,164</b>	418,112,534
<b>Weighted average number of ordinary shares used as the denominator</b>				
Number for basic earnings per share			<b>484,023,945</b>	418,112,534
Number for diluted earnings per share			<b>484,023,945</b>	418,112,534
			cents/share	
Basic earnings per share - ordinary shares			<b>(1.46)</b>	(2.23)
Diluted earnings per share - ordinary shares			<b>(1.46)</b>	(2.23)
<b>5 Contingent liabilities</b>				
Other than the following, there has been no change in the contingent liabilities since the last annual reporting date.				
<b>SAIIF Grant</b>				
The Commonwealth of Australia has awarded a grant up to the value of \$546,540 to the Company under the South Australian Innovation and Investment Fund - Industry Development Programme (SAIIF) to support the SBT aquaculture production programme. \$16,000 has been paid under the grant to 31 December 2011.				
Failure to comply with the terms and conditions of the grant agreement could result in SAAIF requiring repayment of all or part of the grant payments.				

**Clean Seas Tuna Limited**  
**Notes to the Consolidated Interim Financial Report**

**6 Operating Segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

**Types of products and services by segment**

*Finfish sales*

All finfish grow out and sales other than propagated Southern Bluefin Tuna. Currently the segment includes Kingfish, Mulloway and some wild caught Tuna. All fish produced are aggregated as one reportable segment as the fish are similar in nature, they are grown and distributed to similar types of customers and they are subject to a similar regulatory environment.

*Tuna operations*

Propagated Southern Bluefin Tuna operations are treated as a separate segment. All costs associated with the breeding, grow out and sales of SBT are aggregated into one reportable segment. This segment is still being developed with a view to commercialisation.

	<b>Finfish</b>	<b>Tuna</b>	<b>Total</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
<b>Six months ended 31 Dec 2011</b>			
Revenue			
Sales	12,975	-	12,975
Other income	195	-	195
Total segment revenue	13,170	-	13,170
Reconciliation of segment revenue to Group revenue			
Inter-segment elimination	-	-	-
Total Group revenue	13,170	-	13,170
Segment result	(3,398)	-	(3,398)
Reconciliation of segment result to Group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the board			
• depreciation and amortisation	(1,362)	(280)	(1,642)
Unallocated items			
• corporate charges			(2,016)
• finance			(12)
Net profit/(loss) before tax from continuing operations			(7,068)
	<b>Finfish</b>	<b>Tuna</b>	<b>Total</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
<b>Six months ended 31 Dec 2010</b>			
Revenue			
Sales	19,071	1,726	20,797
Other income	87	-	87
Total segment revenue	19,158	1,726	20,884
Reconciliation of segment revenue to Group revenue			
Inter-segment elimination	-	-	-
Total Group revenue	19,158	1,726	20,884
Segment result	(8,720)	(537)	(9,257)
Reconciliation of segment result to Group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the board			
• depreciation and amortisation	(1,310)	(172)	(1,482)
Unallocated items			
• corporate charges			(2,525)
• finance			(9)
Net profit/(loss) before tax from continuing operations			(13,273)

## Operating Segments (continued)

## (ii) Segment assets

	Finfish \$ '000	Tuna \$ '000	Total \$ '000
Six months ended 31 Dec 2011			
Segment Assets	55,924	25,916	81,840
Segment asset increases for the period			
• intangible asset - Tuna propagation costs capitalised	-	1,176	1,176
• capital expenditure	1,220	70	1,290
	<u>1,220</u>	<u>1,246</u>	<u>2,466</u>
Reconciliation of segment assets to Group assets			
Unallocated assets			4,945
• intangible assets			<u>4,945</u>
Total Group assets from continuing operations			<u>86,785</u>

	Finfish \$ '000	Tuna \$ '000	Total \$ '000
Six months ended 30 June 2011			
Segment Assets	62,062	24,887	86,949
Segment asset increases for the period			
• intangible asset - Tuna propagation costs capitalised	-	2,429	2,429
• capital expenditure	494	560	1,054
	<u>494</u>	<u>2,989</u>	<u>3,483</u>
Reconciliation of segment assets to Group assets			
Unallocated assets			4,945
• intangible assets			<u>4,945</u>
Total Group assets from continuing operations			<u>91,894</u>

## (iii) Segment liabilities

	Finfish \$ '000	Tuna \$ '000	Total \$ '000
Six months ended 31 Dec 2011			
Segment liabilities	4,556	4,025	8,581
Reconciliation of segment liabilities to Group liabilities			
Unallocated liabilities			-
• deferred tax liabilities	-	-	-
Total Group liabilities from continuing operations	<u>4,556</u>	<u>4,025</u>	<u>8,581</u>
Six months ended 30 June 2011			
Segment liabilities	4,136	4,050	8,186
Reconciliation of segment liabilities to Group liabilities			
Unallocated liabilities			-
• deferred tax liabilities	-	-	-
Total Group liabilities from continuing operations	<u>4,136</u>	<u>4,050</u>	<u>8,186</u>

## 7 Intangible assets

	Consolidated	
	31-Dec-11 \$ '000	30-Jun-11 \$ '000
Southern Bluefin Tuna lifecycle closure development costs	<u>16,450</u>	15,273
	<u>16,450</u>	<u>15,273</u>

## 8 Events Subsequent to Reporting Date

The directors are not aware of any events occurring after balance date that would have a material effect on these accounts.

## **CLEAN SEAS TUNA LIMITED**

ABN 61 094 380 435

**HALF-YEAR ENDED 31 DECEMBER 2011**

### **DIRECTORS' DECLARATION**

The directors of the company declare that:

- (a) The financial statements and notes, as set out on pages 4 to 11, are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.
- (b) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Port Lincoln this 22nd day of February 2011



**J. Ellice-Flint**  
**Chairman**

## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CLEAN SEAS TUNA LIMITED**

We have reviewed the accompanying half-year financial report of Clean Seas Tuna Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

### **Directors’ responsibility for the half-year financial report**

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor’s responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity’s financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Clean Seas Tuna Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Clean Seas Tuna Limited is not in accordance with the Corporations Act 2001, including:


- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

### **Significant uncertainty regarding continuation as a going concern**

Without qualification to the conclusion expressed above, we draw attention to Note 1 – Going Concern Basis of Accounting to the half year financial statements which indicates that the consolidated entity incurred a before tax loss of \$7,068,000. These conditions as set out in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business at the amount stated in the half year financial report.



GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP  
Chartered Accountants



S J Gray  
Partner

Adelaide, 22 February 2012