CLEAN SEAS

TUNA LIMITED

ABN 61 094 380 435

Prospectus

For a 1 for 8 non-renounceable Rights Issue

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

This Offer closes at 5:00 p.m. (Adelaide time) on [Friday 14] December 2007.

LEAD MANAGER

CARTESIAN CAPITAL

UNDERWRITER

LONSEC

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It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Application.

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary of Defined Terms.

Money as expressed in this Prospectus is in Australian dollars or else as indicated.

All dates are subject to change and accordingly are indicative only.

Key Dates for Investors	**2007**
Announcement of Offer	9 November
Meeting to approve CSAG acquisition	20 November
Institutional Placement closes	26 November
Allotment of Placement Shares	27 November
Record Date for Rights Issue	28 November
Dispatch of Prospectus	30 November
Closing Date for Rights Issue Offer	14 December
New Shares trading on a deferred settlement basis	17 December
Dispatch of holding statements for New Shares	21 December
Normal trading of New Shares commences on ASX	21 December

Offer Statistics

Existing Ordinary Shares on issue	104.1 million
Existing Notes on issue	27.1 million
Existing Eligible Options on issue	0.75 million
Placement Shares	10 million
Price for Placement Shares	$1.35
Proceeds from Placement	$13.5 million
Rights Issue ratio	1 for 8
Maximum number of New Shares to be issued under Rights Issue:	17.8 million
Issue Price for New Shares	$1.35
Rights Issue – underwritten component	$6.4 million
Maximum proceeds for Rights Issue (if all Noteholders and Eligible Optionholders participate to fullest extent)	$24 million

Important Information

This Prospectus is dated 9 November 2007 and was lodged with the Australian Securities and Investments Commission (ASIC) on 9 November 2007.

Neither the ASIC nor ASX Limited (ASX) nor any of their respective officers takes any responsibility for the contents of this Prospectus.

No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Application will be made to ASX within 7 days from the date of this Prospectus for the New Shares to be admitted to quotation.

Applications for New Shares can only be made on an original Application Form. The Application Forms set out each Eligible Shareholder's entitlement to participate in the Rights Issue.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax unless otherwise stated.

In making statements in this Prospectus, regard has been had to the fact that the Company is a "disclosing entity" as defined in the Corporations Act and that certain matters may reasonably be expected to be known by investors and professional advisers whom potential investors may consult.

No person is authorised to give any information or to make any representation in connection with the Offer, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of New Shares in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

Before deciding whether to apply for New Shares offered by this Prospectus, Applicants should carefully read this Prospectus in its entirety and where necessary consult their professional advisers for advice in order to make an informed assessment.

Certain words and terms used in this Prospectus have defined meanings, which appear in the Glossary of Defined Terms in Section 7.

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account the investment objectives, financial situation and particular needs of individual investors. It is important that investors read this Prospectus in its entirety before deciding to invest in Shares and, in particular, in considering the prospects for the Company, that they consider the risk factors that could affect the Company's performance. Investors should carefully consider these factors in the light of their personal circumstances (including financial and taxation issues) and seek professional guidance from their stockbroker, solicitor, accountant or other professional financial adviser before deciding whether to invest. Some risk factors that investors should consider are outlined in Section 5.

Privacy Statement

The Company collects information about each Applicant provided on an Application Form for the purposes of processing Application Forms and, if the Applicant is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Company's share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the security holder (including name, address and details of securities held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Chairman's Letter

9 November 2007

Dear Investor,

On behalf of your Directors, I am pleased to offer you an opportunity to participate in a non-renounceable Rights Issue of New Shares. The Offer entitles Shareholders on the Record Date of 28 November 2007 to subscribe for 1 New Share for every 8 Shares held at a price of $1.35 per New Share.

On the date of this Prospectus, there are approximately 104.1 million Shares on issue. Clean Seas also has announced a Placement of up to 10 million Shares to sophisticated and professional investors to raise $13.5 million at $1.35 per Share.

The holders of these existing issued 104.1 million Shares and the 10 million Placement Shares will be entitled to participate in the Rights Issue to the extent of approximately 14.3 million New Shares to raise up to approximately $19.3 million. This component of the Rights Issue is partially underwritten by Lonsec Limited to the extent of approximately 4.8 million New Shares to raise up to approximately $6.4 million. As part of the Rights Issue capital raising, the Stehr family companies, Australia Tuna and Stehr Group, have agreed to participate in the Rights Issue in respect of their existing shareholding of 76 million Shares for their full entitlement of approximately 9.5 million New Shares to raise approximately $12.8 million – this participation by Australia Tuna and Stehr Group is not underwritten by Lonsec Limited.

If all Noteholders exercise their right to convert their Notes to Shares and all Eligible Optionholders exercise their Options to acquire Shares, in order to become Shareholders on the Record Date and they participate in the Rights Issue, then up to a further 3.5 million New Shares will be issued to raise up to $4.7 million, which is not underwritten. Australian Tuna and Stehr Group have agreed to convert their 1 million Notes into Shares and to participate in the Rights Issue in respect of those Shares.

Accordingly, the Rights Issue has the potential to result in the issue of a maximum of approximately 17.8 New Shares to raise up to approximately $24 million under this Prospectus. This is in addition to the $13.5 million to be raised under the Placement.

Subject to the Company's Shareholders approving at the Annual General Meeting on 20 November 2007, the Company's acquisition of CSAG, the net proceeds of the Placement will be applied by the Company in part to complete the acquisition of CSAG on or about 27 November 2007. Full details of the proposed CSAG acquisition are contained in the Explanatory Statement to the Notice of Annual General Meeting. An independent expert, Pitcher Partners Corporate Pty Ltd, has issued a report in which it concludes that, the acquisition of CSAG is "fair and reasonable" to the Company's Shareholders. A copy of this report accompanied the Notice of Annual General Meeting when it was sent to the Company's Shareholders.

The Rights Issue will not proceed unless the Company has completed its acquisition of CSAG. Since you have received this Prospectus and your accompanying personalised Entitlement and Acceptance Form, you can assume that the Company has completed the CSAG acquisition and therefore the Rights Issue is to proceed.

The acquisition of CSAG represents the next stage of Clean Seas' growth. It allows Clean Seas to bring "in house" the infrastructure and people that have been involved in the growout of our Kingfish and Mulloway fingerlings to mature fish over the last 2 years.

Following the CSAG acquisition, Clean Seas will employ all of the people and control all of the on-shore and offshore infrastructure and aquaculture licences and leases at Arno Bay, Fitzgerald Bay and Port

Augusta required to carry on its business operations. The acquisition of CSAG will also remove the material potential conflicts of interest between the Stehr family's private business interests and those of Clean Seas.

Please read this document carefully before you make your decision to invest. An investment in Clean Seas and the aquaculture sector contains risks which are referred to in Section 5 and which you should consider before making that decision.

I look forward to your support of the Rights Issue.

Yours Faithfully,

Hagen Stehr AO
Chairman

Section 1. Investment Summary

The information set out in this Section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 The Offer

The Company is making a non-renounceable pro-rata offer of New Shares to Eligible Shareholders on the basis of 1 New Share for every 8 Shares held on the Record Date being 5.00 pm (Adelaide time) on 28 November 2007 at an Issue Price of $1.35 for each New Share.

Up to approximately 17.8 million New Shares will be issued pursuant to this Prospectus, which will raise up to approximately $24 million before the expenses of the Rights Issue. This number assumes:

- all Noteholders elect to convert their Notes into Shares prior to the Record Date and then take up all of their entitlements under the Rights Issue;
- all Eligible Optionholders elect to exercise their Options into Shares prior to the Record Date and then take up all of their entitlements under the Rights Issue; and
- existing Shareholders, persons who become Shareholders pursuant to the Placement and the Underwriter (if there is a Shortfall) take up all of their entitlements under the Rights Issue.

If no Noteholders or Optionholders elected to participate in the Rights Issue, the number of New Shares to be issued will be approximately 14.3 million and the amount raised approximately $19.3 million.

The Issue Price of $1.35 for each New Share is payable in full on application.

The Rights Issue is conditional on (Conditions):

- ASX agreeing to official quotation of the New Shares;
- Clean Seas' Shareholders approving the acquisition of CSAG at their meeting of 20 November 2007: and
- if completion of the agreement for the Company's acquisition of the CSAG Shares from Australian Tuna has not taken place by 27 November 2007, then all conditions precedent to completion of that agreement having been satisfied or waived by that date.

1.2 Entitlements

Only Eligible Shareholders are entitled to participate in the Rights Issue. Entitlements are determined on the Record Date. Fractional entitlements to New Shares will be rounded up to the nearest whole number.

The number of New Shares to which each Shareholder is entitled is shown on the accompanying Entitlement and Acceptance Form for that Shareholder. The New Shares are offered on a non-renounceable basis. This means that entitlements to New Shares cannot be transferred or sold. The Rights Issue is underwritten as described in Section 2.9 below.

1.3 Issue Price

The Issue Price is $1.35 per New Share, which represents a discount of approximately 12.5% to the weighted average price of Clean Seas Shares over the two months to and including 7 November 2007. The expenses of the Rights Issue, including the commissions and fees of the Underwriter are expected to be approximately $0.6 million. The net proceeds available to the Company are estimated to be approximately $23.4 million if the maximum amount is raised (ie Noteholders and Eligible Optionholders participate to the fullest extent), or approximately $18.7 if the minimum amount is raised (ie Noteholders and Eligible Optionholders did not participate).

1.4 Placement

Clean Seas announced on 9 November 2007 that it had entered into a Placement Agreement with Cartesian Capital for it to place up to 10 million shares at $1.35 per Share to sophisticated and professional investors to raise up to $13.5 million. Subject to Clean Seas' Shareholders approving the acquisition of CSAG, the Placement is due to settle on 26 November 2007. Shares issued under the Placement will be entitled to participate in the Rights Issue. The net proceeds of the Placement of approximately $12.7 million will be applied in part towards completion of the acquisition of CSAG.

1.5 Purpose of the Rights Issue

The proceeds of the Rights Issue will be approximately as follows, depending on whether the minimum or maximum take-up by Noteholders and Eligible Optionholders occurs (see Section 1.1):

	Minimum (million)	Maximum (million)
Existing Shares	104.1	104.1
Placement Shares	10.0	10.0
Rights Issue New Shares – ignoring participation by Noteholders and Eligible Optionholders	14.3	14.3
Rights Issue New Shares – taking account of potential participation by Noteholders and Eligible Optionholders	14.3	17.8
Proceeds of Rights Issue – taking account of potential participation by Noteholders and Eligible Optionholders	$19.4	$24.4

The Directors intend to apply the proceeds from the Rights Issue as follows:

	Minimum (million)	Maximum (million)
Expenses of the Rights Issue	$0.6	$0.6
Retirement of debt	$17.6	$17.6
Working Capital	$1.2	$6.2
Total	$19.4	$24.4

The estimates of expenditure set out above reflect the Director's current intentions. The actual level and break-up of expenditure may differ due to new opportunities and/or changed market conditions. Any opportunities, should they arise, are anticipated to be in related business activities. The Company considers that maintaining flexibility in relation to its future expenditure is necessary to enable it to remain competitive.

1.6 Dividends

The declaration of dividends, if any, by the Company, and the extent to which franking credits are attached to such dividends, will be the subject of a number of factors including the financial results of the Company, the general business environment, ongoing capital expenditure, future cash requirements, the taxation position of the Company and any other factors which the Directors may consider relevant.

The Directors do not intend to declare or pay any dividends until such time as the Company is generating sustainable profits. There can be no assurances that sustainable profits will be generated, or that any dividends will be paid in the foreseeable future, nor as to the level to which any dividends would be franked.

1.7 Enquiries

If you have any questions regarding this Prospectus please telephone Clean Seas' Company Secretary, Mr Frank Knight, on 08 8682 2922.

Section 2. Details of the Offer

2.1 Important Dates for Investors*

Announcement of Offer	9 November 2007
Shareholder Meeting to approve CSAG acquisition	20 November 2007
Placement closes	26 November 2007
Allotment of Placement Shares	27 November 2007
Proposed date of completion of acquisition of CSAG Shares	27 November 2007
Record Date for determining Entitlements for Rights Issue	28 November 2007
Dispatch of Prospectus	30 November 2007
Closing Date for Rights Issue Offer	14 December 2007
New Shares quoted on a deferred settlement basis	17 December 2007
Despatch of shareholding statements for New Shares	21 December 2007
Normal trading commences of New Shares on ASX	21 December 2007

* *These dates are subject to change and are indicative only. The Company, in consultation with the Underwriter (and subject to the Corporations Act, the Listing Rules and other applicable laws), reserves the right to alter this timetable at any time.*

2.2 Summary of Action Required

- **Closing Date**

The Rights Issue will open for receipt of Applications immediately following the despatch of this Prospectus to Eligible Shareholders.

The Closing Date for the Rights Issue is anticipated to be 14 December 2007. This date may be varied by the Company in consultation with the Underwriter and without prior notice.

- **If you wish to take up your Entitlement in full**

Complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Entitlement and Acceptance Form. When completed, please forward your Entitlement and Acceptance Form together with your cheque or bank draft in Australian currency for the amount payable on acceptance to:

Registries Limited Level 7, 207 Kent Street Sydney NSW 2000	or	Registries Limited PO Box R67 Royal Exchange NSW 1223

to reach Registries Limited by NO LATER THAN 5.00PM (ADELAIDE TIME) ON 14 DECEMBER 2007.

Cheques or bank drafts should be made payable to "Clean Seas Tuna Limited – Rights Issue Account" and crossed "Not Negotiable". You must not forward cash. Receipts for payment will not be issued.

- **If you wish to take up part of your Entitlement**

Complete the accompanying Entitlement and Acceptance Form as above in respect of the number of New Shares you wish to apply for. Send your Entitlement and Acceptance Form together with your cheque or bank draft in Australian currency for the amount payable on acceptance (calculated by multiplying the number of New Shares applied for by $1.35) to reach Registries Limited NO LATER THAN 5.00PM (ADELAIDE TIME) ON 14 DECEMBER 2007.

Cheques should be made payable to "Clean Seas Tuna Limited – Rights Issue Account" and crossed "Not Negotiable". You must not forward cash. Receipts for payment will not be issued.

- **If you do not wish to take up your Entitlement**

If you do not wish to accept any of your Entitlement to New Shares, you do not need to take any further action.

The number of Shares you hold and the rights attached to those Shares will not be affected if you choose not to accept any of your Entitlement.

2.3 Application Forms

A completed and lodged Application Form together with applicable Application monies lodged with the Company constitutes a binding acceptance by an Eligible Shareholder for the number of New Shares specified in the Application Form. The Application Form does not need to be signed to be a binding acceptance of the Offer.

If the Application Form is not completed correctly, it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe the Application Form is final.

The number of New Shares applied for may not exceed the Entitlement as shown on the Application Form. If your acceptance exceeds your Entitlement, your acceptance will be deemed to be for your maximum Entitlement and any surplus Application monies will be refunded without interest

2.4 No Rights Trading

Your Entitlement is non-renounceable. Accordingly, there will be no trading of rights on ASX and you will be unable to dispose of your Entitlement to another party. If you do not take up your Entitlement by the Closing Date, the unexercised portion of your Entitlement will lapse.

2.5 Application Monies

All Application monies received for the New Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application monies received pursuant to this Prospectus until the New Shares in respect of those Application monies are allotted and issued. Application monies will be returned (without interest) if the relevant New Shares are not allotted and issued.

2.6 Allotment and Allocation

The New Shares will be allotted and issued as soon as practicable after the Closing Date. Holding statements in relation to the New Shares are expected to be despatched on 21 December 2007 and in any event no later than 6 business days after the Closing Date.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell any of those New Shares before they receive their holding statements will do so at their own risk.

2.7 ASX Quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for admission to quotation of the New Shares offered by this Prospectus. If permission is not granted for quotation of the New Shares within three months after the date of this Prospectus, the Company will not allot or issue any New Shares (unless ASIC grants to the Company an exemption permitting the allotment or issue), and will return all Application monies as soon as practicable without interest.

The fact that ASX may admit the New Shares to quotation is not to be taken in any way as an indication of the merits of the Company or the New Shares offered by this Prospectus.

2.8 Australian Tuna and Stehr Group Commitments

Australian Tuna and its holding company, Stehr Group, hold in the aggregate 76,008,000 Shares as at the date of this Prospectus. Australian Tuna and Stehr Group hold in the aggregate 1,000,000 Notes as at the date of this Prospectus.

Each of Australian Tuna and Stehr Group has undertaken to the Company to convert their 1,000,000 Notes into 1,000,000 new Shares by the Record Date and to take up their full entitlement under the Rights Issue totalling 9,626,000 New Shares.

2.9 Underwriting

The Rights Issue is partially underwritten by Lonsec Limited, (a wholly owned subsidiary of Zurich Financial Services Australia Limited) to the extent of approximately 4.8 million New Shares to be issued for approximately $6.4 million (refer to the Chairman's Letter in this Prospectus).

The terms of the Underwriting Agreement specify that the Underwriter may terminate its further obligations to underwrite portion of the Rights Issue of the New Shares, without cost or liability to the Underwriter, upon giving written notice to the Company, if certain events occur or if certain conditions precedent are not satisfied.

If the Underwriter does terminate its obligations and the Minimum Subscription of $13 million has not been reached within four (4) months after the date of this Prospectus, all applications will be refunded in full without interest.

The Underwriter will receive a management fee of 1.5%, and an underwriting fee of 3.5%, of the Issue Price per Share for all New Shares offered under the Rights Issue (other than to Australian Tuna and Stehr Group and other than in respect of Shares issued in consequence of the conversion of Notes and exercise of Eligible Options).

Details of the material terms of the Underwriting Agreement are contained in Section 6.1 below.

2.10 Shortfall

If the Underwriting Agreement is terminated and the Minimum Subscription has been reached, the Directors reserve the right to issue part or all of the Shortfall Shares at their discretion at an issue price of not less than $1.35 per Share. Under the Listing Rules, such an issue must be completed within 3 months of the close of the Offer.

2.11 Minimum Subscription

The minimum subscription for the Rights Issue is $13 million.

2.12 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 432 ("ASTC"), a wholly owned subsidiary of

ASX, operates CHESS in accordance with the Listing Rules and ASTC Settlement Rules. Under CHESS, Applicants will receive a statement of their holding of Shares (including New Shares). If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, and provide details of your holder identification number, and the participant identification number of the sponsor.

If you are registered on the Issuer Sponsored Subregister, your statement will be despatched by the Company's share registry, Registries Limited, and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

CHESS statements and Issuer Sponsored statements will routinely be sent out to shareholders at the end of any calendar month during which the balances of their holdings change. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

2.13 Taxation

Investors should seek and rely on their own taxation advice regarding an investment in Clean Seas as the taxation consequences will depend on the investor's particular circumstances.

2.14 Ranking

New Shares will be issued fully paid and will rank equally with the Company's ordinary Shares already on issue as at the date the New Shares are allotted.

A summary of the additional rights and liabilities attaching to the New Shares is set out in Section 6.2.
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2.15 Withdrawal of Prospectus

The Directors may at any time decide to withdraw this Prospectus, in which case the Company will repay, as soon as practicable and without interest, all Application monies received pursuant to this Prospectus.

Section 3. CSAG Acquisition

3.1 Introduction

At the Annual General Meeting of the Company to be held on 20 November 2007, the Company's Shareholders will be asked to approve the Company's acquisition from Australian Tuna of the CSAG Shares for the sum of $12 million. If approved, the Company will apply part of the net proceeds of the Placement to completion of the CSAG acquisition on or about 27 November 2007.

Full details of the proposed CSAG acquisition are contained in the Explanatory Statement to the Notice of Annual General Meeting dated 15 October 2007. An independent expert, Pitcher Partners Corporate Pty Ltd, issued a report (a copy of which accompanied the Notice of Annual General Meeting) in which it concluded that the CSAG acquisition is fair and reasonable to the Company's Shareholders.

The Rights Issue is subject to the Conditions set out in Section 1.1 above.

The Company will provide a copy of each of the said Notice of Annual General Meeting, Explanatory Statement and the Independent Expert's Report prepared by Pitcher Partners Corporate Pty Ltd, free of charge to any person who asks for it during the application period for this Prospectus.

3.2 Extract from the Explanatory Statement

The following is an edited extract from Section 1 of the said Explanatory Statement in relation to the proposed CSAG acquisition (**Proposed Transaction**):

"1.3 ***THE PROPOSED TRANSACTION IN DETAIL***

1.3.1 Background

(a) The Company and CSAG

Operational Structure

Clean Seas	*CSAG*
• *owns broodstock*	• *grows out fingerlings for Clean Seas and own use*
• *produces fingerlings*	• *harvests*
• *contracts out farming*	• *contracts out processing*
	• *sells and markets fish*

Clean Seas owns and operates hatcheries at Arno Bay and Port Augusta in South Australia. These hatcheries are used to breed Kingfish and Mulloway fingerlings. It is anticipated that from 2008 the Arno Bay hatchery will also produce SBT fingerlings.

Clean Seas also owns (among other things):

- *growout licences relating to 130 hectares of sea in the Spencer Gulf;*
- *hatchery licences at Arno Bay and Port Augusta in the Spencer Gulf;*
- *the onshore SBT broodstock complex;*
- *approximately 1200 tonnes of Kingfish and 100 tonnes of Mulloway;*
- *12 vessels, cages, nets and other infrastructure principally located at Fitzgerald Bay in the Spencer Gulf;*

- *33% of the* [privately leased portion of the] *Arno Bay marina facility;*
- *the intellectual property relating to the breeding of Kingfish, Mulloway and SBT; and*
- *the Kingfish, Mulloway and SBT broodstock.*

CSAG grows out Kingfish and Mulloway fingerlings for Clean Seas and on its own account. CSAG also harvests the mature fish, markets the fish, arranges the fish processing and transport, and collects revenue from the sale of the fish.

CSAG provides these services to Clean Seas under the Fish Husbandry Agreement. A summary of the Fish Husbandry Agreement was included in Section 12.11.4 of the IPO prospectus, and a copy of that Section 12.11.4 is contained in Appendix A to this Explanatory Statement.

As at the date of this Explanatory Statement, CSAG has (among other things):

- *growout licences relating to 199 hectares of sea in the Spencer Gulf;*
- *approximately 545 tonnes of Kingfish and 295 tonnes of Mulloway;*
- *8 vessels, and other plant and equipment related to the growout of Kingfish, Mulloway and SBT; and*
- *67% of the* [privately leased portion of the] *Arno Bay marina facility.*

Pursuant to the CSAG Share Agreement [ie the agreement for the purchase of the CSAG Shares by the Company from Australian Tuna]*, CST* [ie the Company] *will acquire all of the issued shares in CSAG. Implementation of the Proposed Transaction will effectively result in the merger of the operations of CSAG with those of CST.*

ATF [ie Australian Tuna] *and Clean Seas are the parties to the Administration Services Agreement, a summary of which was included in Section 12.11.3 of the IPO prospectus; a copy of that Section 12.11.3 is contained in Appendix A to this Explanatory Statement. On CST acquiring all of the issued shares in CSAG, the Administration Services Agreement will terminate – CST will offer employment to certain key employees of ATF.*

(b) Rationale for acquisition of CSAG

Clean Seas wishes to acquire CSAG for the following reasons:

- *to provide it with control over the key infrastructure and personnel required for the conduct of its business;*
- *to facilitate the further expansion of its business;*
- *to provide certainty beyond the end of the term of the Fish Husbandry Agreement on 31 August 2008;*
- *to lower its costs of growing out Kingfish, Mulloway and SBT;*
- *to better position its business for the time when Clean Seas achieves success in the breeding of SBT;*
- *to ameliorate conflicts between CSAG and Clean Seas;*
- *to increase its earnings per share; and*
- *the purchase price of CSAG is fair and reasonable.*

(c) Alternatives

In the event that Clean Seas does not acquire CSAG and the Fish Husbandry Agreement terminates on 31 August 2008, then Clean Seas would need to:

- *negotiate a new growout contract with CSAG; or*
- *acquire the staff, growout licences, vessels and infrastructure necessary for Clean Seas to undertake its own growout and expansion.*

In view of CSAG's unique position with its 199 hectares of growout licences, vessels, infrastructure and specific expertise in growing out Kingfish, Mulloway and SBT, Clean Seas does not believe that another party could adequately provide the fish husbandry services, which CSAG currently undertakes for Clean Seas. In addition, the Directors believe that if either a third party or Clean Seas was to seek to replicate CSAG's services, Clean Seas' profitability would be adversely affected in the short term.

1.3.2 Proposal

(a) Acquisition of CSAG

For the reasons described herein, the Independent Directors [ie Mr Ian McLachlan and Sir Tipene O'Regan] determined that it would be in the best interests of the Company for the Company to acquire CSAG subject to (among other things):

- an independent expert concluding that the Proposed Transaction terms were fair and reasonable to non-Stehr group shareholders of the Company, and
- independent legal, financial and other due diligence being undertaken in respect of CSAG and the Independent Directors of the Company being satisfied with the results of such due diligence.

The independent expert's evaluation [ie Pitcher Partners Corporate Pty Ltd] has been undertaken to the satisfaction of all the Directors, including the Independent Directors. The Company is progressing due diligence in respect of CSAG and will not proceed with the acquisition of CSAG if the Independent Directors are not fully satisfied with the results of that due diligence when it has been finalised.

The Company had previously been granted an option by ATF to purchase all of the shares in CSAG pursuant to an Option Deed made on 28 September 2005 between ATF as the grantor of the option and the Company as the grantee. A summary of that Option Deed was included in Section 12.11.5 of the IPO prospectus, and a copy of that Section 12.11.5 is contained in Appendix A to this Explanatory Statement.

If the Company was to exercise that option, the result would be that the Company would be committed to purchase the shares in CSAG on the terms of the Share Sale Agreement attached as a schedule to the Option Deed (and referred to in Section 12.11.5 of the IPO prospectus). The Independent Directors of the Company (with the concurrence of the conflicted Directors) have formed the view that it would not be in the Company's best interests to purchase the shares in CSAG on the terms of the Share Sale Agreement attached to the Option Deed. Accordingly, the CSAG Share Sale and Purchase Agreement (CSAG Share Agreement) has been entered into between ATF, the Company, Hagen Stehr AO and Marcus Stehr.

Pursuant to the CSAG Share Agreement ATF has agreed to sell and the Company has agreed to purchase all of the issued shares in the capital of CSAG on the terms and conditions contained therein, including a total purchase price of $12 million. A summary of the new CSAG Share Agreement is contained in Appendix B to this Explanatory Statement. Completion of the sale and purchase of the shares in CSAG is proposed to take place on 26 November 2007. However, completion is conditional on:

- the Shareholders of the Company approving the acquisition of those shares for the purposes of ASX Listing Rule 10.1;
- the Company raising not less than $10 million of new capital;
- the Company undertaking such due diligence in relation to the acquisition as it considers necessary and being satisfied with the results of that due diligence; and
- the Company obtaining the consent of the District Council of Cleve as lessor in respect of the Arno Bay marina lease, to the Company's acquisition of CSAG, which is the lessee under such lease.

Furthermore, if before completion of the CSAG Share Agreement there occurs post 1 July 2007 an event or events which by comparison with CSAG's budget, adversely affect the EBITDA (ie earnings before interest, tax, depreciation and amortisation) of CSAG by a net $250,000 or more, the Company will have the right to terminate the CSAG Share Agreement if it is not able to negotiate a satisfactory reduced purchase price if required by the Independent Directors."

"1.3.6 Implications if the Transaction Does Not Proceed

If the Proposed Transaction does not proceed:

- *the Fish Husbandry Agreement will continue until 31 August 2008, following which Clean Seas will need to either set up its own growout operations or enter into a new contract with CSAG or a third party for the growout of Clean Seas' Kingfish, Mulloway and SBT;*
- *the Administrative Services Agreement will continue until 30 June 2008, following which Clean Seas will likely need to engage staff [ie for growing out Kingfish and Mulloway]; and*
- *Clean Seas will in any event bear the costs referred to in Section 1.3.7 of this Explanatory Statement [ie external professional costs of approximately $165,000 (excluding GST) incurred by Clean Seas in progressing the Proposed Transaction to this point]."*

Section 4. Purpose and Effect of the Offer

4.1 Purpose of the Rights issue

The purpose of the Rights Issue is primarily for working capital purposes. The funds raised will be used by Clean Seas to retire approximately $18.5 million of consolidated bank debt.

During the course of the 2008 financial year and following the acquisition of CSAG, Clean Seas will be seeking to growout approximately 1.2 million Kingfish and 0.2 million Mulloway fingerlings. Kingfish grow to approximately 4kg and Mulloway to approximately 2.5 kg in weight before being harvested. As such, the growout will require additional funding over the course of the growout. Clean Seas' Directors wish to lower the group's debt position prior to embarking on the 2008 calendar year growout program.

4.2 Effect of the Rights Issue

The effect of the Rights Issue on Clean Seas will be to:

- retire the current bank debt of Clean Seas and CSAG;
- increase the number of Shares on issue; and
- allow Clean Seas sufficient flexibility to undertake new bank borrowings to fund its expansion plans, including the growout of SBT when SBT fingerlings are produced.

The effect of the Rights Issue on individual Shareholders will depend on whether:

- they take up some, all or none of their Entitlement under the Rights Issue;
- to the extent that they are also Noteholders or Eligible Optionholders, they convert their Notes or exercise their Options prior to the Record Date and participate in the Rights issue in respect of the Shares issued as a result of such conversion or exercise; and
- the actions of other Shareholders, Noteholders and Eligible Optionholders.

As explained in Section 1.1 above, in addition to the Existing Shares on issue, the Placement Shares (see Section 1.4) will also participate in the Rights Issue. As such, the minimum number of Shares which will carry an entitlement to participate in the Rights Issue is approximately 114.1 million. This means that if all of those Shares participated, the minimum number of New Shares offered under the Rights Issue is approximately 14.3 million.

In addition, should they choose to, Clean Seas' Noteholders and Eligible Optionholders may participate in the Rights Issue:

- in the Noteholders' case, by converting their Notes prior to the Record Date; and
- in the Eligible Optionholders' case, by exercising their Eligible Options prior to the Record Date.

If all Eligible Optionholders and Noteholders were to participate in the Rights Issue to the fullest extent, there would be an additional 27.9 million Shares with Entitlements. As such the maximum number of New Shares offered under the Rights Issue is approximately 17.8 million.

4.3 Impact on Capital Structure

This is summarised in the table below:

	Minimum (million)	Maximum (million)
Existing Shares	104.1	104.1
Placement Shares	10.0	10.0
Shares issued on exercise of Eligible Options	0	0.8
Shares issued on conversion of Notes	1.0	27.1
Total	**115.1**	**142.0**
Rights Issue ratio	1 for 8	1 for 8
Total New Shares issued under Rights Issue	14.4	17.8
Total Shares on issue following completion of Rights Issue	**129.5**	**159.8**

Clean Seas' major shareholder, Australian Tuna, and its holding company, Stehr Group, have entered into a Deed of Undertaking with the Company:

- to convert their Notes prior to the Record date; and
- take up their full entitlement of 9,626,000 New Shares under the Rights Issue arising out of their resultant total holding of Shares in the Company.

As such, the combined effect on Australian Tuna and Stehr Group would be approximately as follows:

	Minimum (million)	(%)	Maximum (million)	(%)
their Existing Shares	76	66.6	76	66.6
their Shares issued on conversion of Notes	1*	-	1	
their Shares as at Record Date	77	66.9	77	54.4
their New Shares issued under Rights Issue	9.6		9.6	
their Shares held following Rights Issue	86.6	66.9	86.6	54 .4

* Australian Tuna and Stehr Group have undertaken to convert their Notes

4.4 Impact on Financial Position

Assuming that the Underwriting Agreement is not terminated, the Rights Issue will raise a minimum amount of approximately $19.3 million and a maximum amount of approximately $24 million (as referred to in Section 1.5 above). The principal impact on Clean Seas' financial position will be to retire debt and provide working capital as set out in the following table (but subject to the qualification in the last paragraph of Section 1.5 above)

	Minimum (million)	Maximum (million)
Expenses of the Rights Issue	$0.6	$0.6
Retirement of debt	$17.6	$17.6
Working Capital	$1.2	$6.2
Total	$19.4	$24.4

A further $12.6 million of debt is being retired from the net proceeds of the Placement.

4.5 Proforma Balance Sheets

The following pro-forma balance sheets show Clean Seas/CSAG on a consolidated basis assuming the acquisition of CSAG by Clean Seas (CST) - they combine the actual audited balance sheet for Clean Seas as at 30 June 2007 consolidated with the projected balance sheet of CSAG as at 31 October 2007.

CST/CSAG Consolidated Balance She ***(all amounts $ million)***	***Balance Sheet 1 CST/ CSAG Consolidated***	***Balance Sheet 2 CST/ CSAG Consolidated Rights Issue – Minimum***	***Balance Sheet 3 CST/ CSAG Consolidated Rights Issue - Maximum***
Current Assets			
Cash and cash equivalents	1.2	2.4	7.3
Trade and other receivables	0.9	0.9	0.9
Feed Stock	1.0	1.0	1.0
Biological assets	20.4	20.4	20.4
Total current assets	23.5	24.7	29.6
Non-Current Assets			
Property, plant and equipment	20.9	20.9	20.9
Biological assets	2.7	2.7	2.7
Investment in CSAG	-	-	-
Intangible assets (including licences & goodwill)	19.7	19.7	19.7
Total non-current assets	43.3	43.3	43.3
Total Assets	**66.8**	**68.0**	**72.9**
Current Liabilities			
Trade and other payables	7.0	7.0	7.0
Interest loans and borrowings	30.2	-	-
Deferred Grant Income	2.3	2.3	2.3
Provisions	0.5	0.5	0.5
Total current liabilities	40.0	9.8	9.8
Non-current Liabilities			
Deferred tax liabilities	0.1	0.1	0.1
Provisions	0.1	0.1	0.1
Total non-current liabilities	0.2	0.2	0.2
Total Liabilities	40.2	10.0	10.0
Net Assets	**$26.6**	**$58.0**	**$62.9**
Equity			
Issued capital	26.4	58.4	63.3
Reserves	0.1	0.1	0.1
Retained earnings	0.1	(0.5)	(0.5)
Total equity	**$26.6**	**$58.0**	**$62.9**

Balance Sheet 1 - CST/CSAG consolidated assumes the net assets acquired with CSAG (as projected to be as at 31 October 2007 – refer to Section 3.7 of the Independent Expert's Report) were acquired at 30 June 2007 utilising bank debt, to demonstrate the consolidated position post-CSAG acquisition and pre-Placement and Rights Issue.

Balance Sheet 2 - adjusts Balance Sheet 1 to reflect Placement and Rights Issue net funds raised of $31.4 million (Placement - $12.6 million and Rights Issue $18.8 million). This is based on the minimum amount being raised under the Rights Issue as referred to in Section 4.4 above.

Balance Sheet 3 - adjusts Balance Sheet 1 to reflect Placement and Rights Issue net funds raised of $36.4 million (Placement $12.6 million and Rights Issue $23.8 million). This is based on the maximum amount being raised under the Rights Issue as referred to in Section 4.4 above.

Section 5. Risk Factors

5.1 Introduction

An investment in Clean Seas involves a degree of risk and should be considered speculative, particularly having regard to the stage of Clean Seas' business development and the work still needed to complete the closure of the SBT lifecycle.

There are a number of factors that may have a material adverse effect on Clean Seas future operating and financial performance. The principal risk factors are described below. While some of these risks can be mitigated by the use of appropriate safeguards and systems, many are outside the control of Clean Seas and cannot be mitigated.

You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Prospectus before you decide whether to apply for Shares.

5.2 General Market

Investors should recognise that the price of Shares might fall as well as rise. In particular, the trading price of Shares at any given time may be higher or lower than the price paid to acquire Shares under this Offer. Further, there can be no assurance that an active trading market will develop in the Shares.

The market for securities in aquaculture companies has typically been more volatile than other share investments. Such securities have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. A significant decline in the stockmarket performance of aquaculture businesses is likely to have a material adverse effect on the price and liquidity of the Shares.

Many other factors will also affect the price of the Shares, including general fluctuations in the performance of local and international stock markets, movements in interest rates and exchange rates, general economic conditions and investor sentiment.

5.3 CSAG Acquisition

The potential risk to Shareholders arising from this transaction is that the Company acquires the shares in CSAG from Australian Tuna at a price which is above their fair value. This may arise due to:

- operations not performing to budget;
- material regulatory changes to growout licence conditions and future availability of growout licences for planned growth;
- decreases in the prices for Kingfish, Mulloway and/or SBT; or
- significant increases in the cost of feed for fish.

Clean Seas believes that it's Shareholders are protected from these risks by the following:

- Pitcher Partners Corporate Pty Ltd, as the independent expert, has provided an opinion on the fairness and reasonableness of the proposed acquisition, which considers the value at which CSAG is being transferred to the Company;
- the management team which presently operates CSAG will continue to do so after the acquisition;
- the Company's knowledge of the CSAG business which it has accumulated over the last 2 years;
- the prices currently being received and indications of FY2008 demand by customers for Clean Seas' Kingfish and Mulloway;
- the feed contract in place until 30 November 2009 with the current supplier and competitive bids from alternate overseas suppliers; and

- the South Australian Aquaculture Act and regulations relating to growout licences provide an appropriate level of protection for compliant licence holders and a structured process for future growth.

5.4 Product Prices

SBT, Mulloway and Kingfish prices have varied significantly over recent years and are difficult to predict. Developments in the aquaculture industry, competitor behaviour or the behaviour of new entrants in combination with the price of substitute products and other contractual terms may influence SBT, Mulloway and Kingfish prices. No assurance can be given regarding future SBT, Mulloway and Kingfish prices.

5.5 Currency

Clean Seas' Kingfish and Mulloway prices are largely denominated in Australian dollars but selling into foreign markets exposes the Company to exchange rate fluctuations associated with the Euro, British pound and US dollar currencies. SBT revenues would be largely denominated in Japanese Yen, while the majority of expenses are paid in Australian dollars. Currency exchange rate fluctuations may have an impact on the performance of the Company.

As part of an ongoing risk management strategy the Company has taken foreign exchange hedge cover for proposed Mulloway and Kingfish sales for FY2008. This effectively removes the risk from currency fluctuations for sales denominated in currencies other than Australian dollars. This is an ongoing strategy to lock in returns from sales denominated in foreign currencies.

5.6 Operating History

The Stehr family's operations commenced at Arno Bay in 2000. Clean Seas was listed on the ASX in December 2005. SAAM's operations at Fitzgerald Bay and Port Augusta were only acquired in October 2006. Clean Seas is not expected to commence SBT production until late 2008 at the earliest. Commercial SBT production is unlikely until FY2010 at the earliest. Accordingly, investors can only evaluate Clean Seas business based on a limited operating history. Investors should consider Clean Seas' prospects for revenue growth in light of the risks, technical and operational challenges, expenses and difficulties typically encountered by companies in their early stages of operation.

5.7 Reliance on Key Personnel

Clean Seas' business development has been, and is likely to continue to be, largely dependent upon the commitment and expertise of its key personnel. Clean Seas has entered into employment agreements with the majority of its senior management team.

While Clean Seas has ensured sufficient senior aquaculture staff are employed, the loss of, or significant interruption to, the continued full-time services of any key personnel would be likely to have a material adverse effect on Clean Seas' future operation and financial performance.

5.8 Operating Risks

In addition to the technical risks associated with breeding and growing out SBT, Mulloway and Kingfish, Clean Seas could be adversely affected by disruptions to operations caused by adverse climatic conditions, labour disputes and port delays. Clean Seas seeks to minimise the potential damage flowing from the occurrence of some of these risks by obtaining suitable undertakings from suppliers and contractors in the event that equipment or services do not provide the performance that was expected.

The occurrence of operating risks can result in increased production costs for Clean Seas and may materially affect Clean Seas' competitive position or ability to derive profits. In particular, operating costs may be materially impacted by adverse conditions. Processing costs and yields may be impacted by the quality of and operating costs of the grow-out phase.

Specifically, investors should be aware of the risks involved when operating a business at sea. Adverse weather conditions may affect fish health, fishing regularity, containment of fish, fishing net integrity and general operations.

5.9 Desalination Plant

The proposed construction of a desalination plant at Point Lowly near Fitzgerald Bay by BHP Billiton Ltd may have the potential to increase the salinity level of the water in the upper end of the Spencer Gulf where Clean Seas' Fitzgerald Bay operations are located.

Clean Seas continues to monitor the salinity levels of all growout sites and is working with BHP Billiton Ltd on trials to test the effects of elevated saline levels on Kingfish.

5.10 Management of Growth

Implementation of Clean Seas' growth strategy is likely to require additional staffing, management, operations and systems resources. There is also the risk that Clean Seas may not be able to deploy suitable resources (including staff) to take advantage of the growth opportunities to the extent expected within expected time frames.

5.11 Competition

Clean Seas can provide no assurance that Clean Seas will be able to compete effectively with existing or new competitors or that increased competition will not have a material and adverse effect on Clean Seas future operating and financial performance. In particular, increased competition may have an adverse effect on Clean Seas' margins.

5.12 Regulation of Activities

While significant amounts of regulation currently applies to Clean Seas production activities (as well as other laws applicable to businesses generally), it is possible that new specific laws will be introduced in Australia and/or overseas which may have a material adverse effect on Clean Seas business. For example, laws may be established to address concerns relating to the breeding and growing out of SBT, Mulloway and Kingfish, or the processing or transport of fish.

5.13 Marketing

Clean Seas is required to meet technical specifications on the quality of its products and variations from specification may result in financial penalties being imposed by customers. Customer demands may change over time and no assurance can be given that product will always meet specification or that future customer demands regarding product specifications will be able to be met. Similarly, no assurance can be given that future demand for Clean Seas' products will continue to grow.

5.14 Environmental

There are a number of environmental conditions attached to the water use licences of Clean Seas. Failure to meet such conditions could lead to forfeiture of these licences.

Future legislative and regulatory changes may have a possible adverse impact on Clean Seas' profitability. The Directors can provide no guarantee as to the possible effect of any change, if it occurs.

5.15 Water

Although Clean Seas currently has secure access to adequate sources of water for Clean Seas' hatcheries at Arno Bay and Port Augusta, no assurance can be given that sufficient water will be available for future projects, or that such access will be uninterrupted in all circumstances.

5.16 Insurance Risks

Although insurance is maintained within ranges of coverage consistent with industry practice no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims.

If Clean Seas incurs uninsured losses or liabilities, its assets, profits and prospects may be adversely affected.

Currently insurance cover is not available at commercially acceptable rates for the broodstock fish and at-sea Kingfish and Mulloway inventory. The Directors have chosen to proactively manage the risks as a preferred alternative. The Spencer Gulf provides good quality water and relatively benign weather conditions which allows the Company to focus on the other areas of risk reduction;

- high quality health practices with regular fish inspection;
- high quality equipment and equipment management practices;
- active management of the at-sea farming environment;
- daily dive inspections of fish and fish cages;
- multiple growout and hatchery sites at diverse geographical locations; and
- maintaining a Purse Seiner vessel on standby for recapture of escaped fish.

The Directors are still pursuing a commercially acceptable insurance solution.

5.17 Dependence on Third Party Infrastructure

The port, road and rail infrastructure used by Clean Seas has experienced, and is expected to continue to experience, significant growth in terms of the volume of traffic. Clean Seas business prospects depend on the ability of that infrastructure to support its sale of kingfish and mulloway. There can be no assurance that the infrastructure will continue to be able to support the demands placed on it or that the performance or reliability of the infrastructure will not be adversely affected.

5.18 Uncertainty of Future Capital Needs and Additional Funding

The future capital requirements of Clean Seas will depend on many factors, including the pace and magnitude of its development of its business. Clean Seas believes that its available cash, the net proceeds of this Offer and its finance facilities with its banker will be adequate to satisfy its anticipated current working capital and other capital requirements for the period beyond FY2008. Should Clean Seas require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all.

Any inability to obtain additional financing, if required, would have a material adverse effect on Clean Seas business, financial condition and results of operations.

5.19 Industrial Relations Risk

There is a risk that the industrial relations management at Clean Seas operations will be unsatisfactory leading to strikes or the re-opening of award negotiations that result in higher labour costs, higher employee numbers and higher redundancy costs. This would cause a loss of revenue due to lower than planned operating levels and/or higher operations and maintenance costs than planned due to incurring additional labour costs.

Section 6. Additional Information

6.1 Material Contracts

Apart from the agreements referred to in this Section 6.1, there are no contracts considered to be material in enabling investors and their professional advisers to make an informed assessment of the offer of New Shares under this Prospectus.

- **Deed of Undertaking**

  Australian Tuna and Stehr Group (as referred to in Section 2.8 above) have executed a Deed of Undertaking in favour of the Company pursuant to which they:

  - undertake to convert their Converting Notes to Shares and take up their full entitlements under the Rights Issue Offer; and
  - agree that such undertaking will not be affected by termination for any reason of the Underwriting Agreement referred to below.

  As a result of this Deed of Undertaking, the underwriting obligation of the Underwriter pursuant to the Underwriting Agreement does not relate to the Shares which are to be taken up by Australian Tuna and Stehr Group under the Rights Issue Offer.

- **Underwriting Agreement**

  Further to Section 2.9 above, the material terms of the Underwriting Agreement are set out below.

  The Underwriter has agreed to underwrite the subscription of approximately 4.8 million New Shares at $1.35 each offered under the Rights Issue pursuant to this Prospectus. The Underwriter is free to arrange sub-underwriters at its discretion.

  The underwriting obligation of the Underwriter is subject to certain conditions precedent being satisfied, including:

  - the Prospectus being lodged with ASIC on the date of the Agreement;
  - the Underwriter approving the form of the Prospectus;
  - Australian Tuna and Stehr Group taking up in full all their entitlements under the Rights Issue Offer;
  - the Shareholders of the Company approving the Company's acquisition of the CSAG Shares by 20 November 2007;
  - completion of the Company's acquisition of the CSAG Shares taking place by 27 November 2007.

  If any condition precedent is not satisfied, the Underwriter has the right to terminate the Agreement.

  The Underwriter will receive an underwriting fee of 3.5% of approximately $6.4 million and a management fee of 1.5% of approximately $6.4 million. The Underwriter is entitled to be reimbursed for certain costs and expenses incurred in connection with the Offer.

  The Company has given certain representations, warranties and undertakings to the Underwriter regarding the position of the Company, the Prospectus and the Offer. The

Company indemnifies the Underwriter and its directors, employees, advisers and Cartesian Capital and its employees and advisers ("Indemnified Parties") against each action, demand, claim, suit, proceeding, judgment, damage, loss, expense or liability incurred of suffered by or brought or made or recovered against the Indemnified Parties in connection with:

- the Prospectus, its content, publication and issue including any misleading or deceptive statement in or any material omission from the Prospectus;

- any statement in or any omission from any information, announcement, advertisement or publicity in relation to the Prospectus or the Rights Issue:

  - made or distributed by the Company; or
  - made or distributed by the Underwriter with the consent or knowledge of the Company;

  including where that statement or omission is found to be misleading or deceptive;

- any non-compliance by the Company with the Corporations Act, the Listing Rules or any other legal obligation in relation to the Rights Issue or the Prospectus; or
- any breach by the Company of its representations, warranties and undertakings in the Underwriting Agreement.

The Underwriter may, without prejudice to any other right or remedy available to it, terminate its obligations under the Agreement if any of the following events occur before the New Shares are allotted under the Offer:

- ASIC gives notice of intention to hold a hearing in relation to the Prospectus under section 739(2) of the Corporations Act or indicates an intention to issue an order or makes an order under sections 739(1), 739(3) or 739(4) of the Corporations Act.

- there is an omission from, or a statement which is, or has become, false or misleading in the Prospectus and such omission or statement is or is likely to be materially adverse from the point of view of an investor;

- the Company chooses to or comes under an obligation, including in accordance with the Corporations Act, to issue a supplementary or replacement prospectus or to repay any moneys received by the Company from any applicant, where the Underwriter is of the opinion that the extension has, or could reasonably be expected to have, a material adverse effect on the willingness of persons to apply for Shares at the Issue Price or on the number of shortfall Shares.

- ASIC gives notice of intention to hold a hearing examination, inspection, investigation, or it requires information to be disclosed, in connection with the Company, the Prospectus or the Rights Issue;

- if a new circumstance has arisen since the Prospectus was lodged and would have been required under Chapter 6D of the Corporations Act to be included in the Prospectus if it had arisen before the Prospectus was lodged and is, or is likely to be, materially adverse from the point of view of an investor;

- the Company or any of its related parties fails to comply with:

  - a clause of its constitution;
  - a statute;
  - any policy or guideline of the ASIC or any other requirement, order or request made by or on behalf of the ASIC or any governmental agency;

- the Listing Rules;

where such failure will have a material adverse effect on the Rights Issue;

- ASX does not, or states that it will not, permit official quotation of Shares comprised in the Rights Issue;

- any event specified in the timetable set out in Schedule 1 to the Underwriting Agreement (as it may be varied) ("Timetable") is delayed for more than three business days;

- the All Industrials Index of the ASX falls to a level which is more than 10% below the All Industrials Index as at close of business of the ASX on the business day immediately before the date of the Agreement;

- the ASX Consumer Staples Index of the ASX falls to a level which is more than 10% below the Consumer Staples Index as at close of business of the ASX on the business day immediately before the date of the Agreement;

- any No Default Certificate (being a letter to the Underwriter signed by 2 directors of the Company in or substantially in the form of Schedule 2 to the Agreement) is not delivered to the Underwriter in accordance with the Agreement;

- the Company materially defaults under any provision of the Agreement, including any representation, warranty or undertaking;

- if any person, other than the Underwriter, who has previously consented to being named in the Prospectus, withdraws that consent whether publicly or not;

- the Company or any of its related parties charges or agrees to charge (or grant any other form of security over) the whole or a substantial part of its business or property to any third party;

- if a significant or material contract is, without the prior written consent of the Underwriter:

  - breached by the Company or any of its related parties;
  - terminated (whether by breach or otherwise);
  - altered or amended in any way; or
  - found to be void or voidable.

In respect of the following events, the Underwriter may terminate its obligations only if, in the opinion of the Underwriter acting reasonably, it has, or could reasonably be expected to have, a material adverse effect on the willingness of persons to apply for Shares in the Company at the Issue Price or on the number of shortfall Shares, or could reasonably be expected to give rise to a liability of the Underwriter under the Corporations Act:

- after the date of the Agreement there is any:

  - material adverse change; or
  - any act, omission or thing which could reasonably be expected to result in a material adverse change,

in the financial position (including profitability) of the Company.

- - there is introduced into the Parliament of the Commonwealth of Australia or of an Australian State or Territory a law intended to come into effect within 12 months;

  - the Reserve Bank of Australia adopts a policy; or
  - there is any official announcement on behalf of the Government of the Commonwealth of Australia or of the Government of an Australian State or Territory, the Reserve Bank of Australia or any Commonwealth financial authority that a law will be introduced or policy adopted (as the case may be) with effect from the date of the announcement or within three months afterwards;

  which has altered adversely or could reasonably be expected to alter adversely:

  - any condition or circumstance relating to the rights attaching to Shares, the Rights Issue or the Prospectus existing at the time of execution of this Agreement; or
  - the income tax position of the Company including, without limitation, the distributable income of the Company or the tax position of shareholders in the Company;

- ASIC gives notice of an intention to prosecute the Company or any director or general manager of the Company;

- an order is made in connection with the Prospectus or the Rights Issue including under Sections 1324 and 1325 of the Corporations Act;

- any director or general manager of the Company is prosecuted for a criminal offence;

- the Company or any related body corporate of the Company without the written prior approval of the Underwriter makes any statement or publishes or issues by any means any notice, circular or advertisements relating to the Company or any related body corporate of the Company or its activities or the Rights Issue which his prejudicial in any manner whatever to the prospects of the Rights Issue being fully subscribed by persons other than the Underwriter;

- the Prospectus is withdrawn by the Company at any time prior to all the Shares having been allotted;

- the Company or a related body corporate of the Company alters its capital structure without the prior written consent of the Underwriter (except for an alteration referred to in this Prospectus) or issues or agrees to issue any shares, options or equity securities (as that term is defined in the Listing Rules) since the date of the Agreement other than as set out in the Agreement;

- there are any changes to the Board of Directors of the Company after the date of the Agreement without the prior written consent of the Underwriter;

- the due diligence investigations undertaken in relation to this Prospectus reveal information that is not satisfactory to the Underwriter acting reasonably;

- the Company acquires any major asset or enters into any major expenditure other than in accordance with the proposals in this Prospectus;

- the Company:

  - suspends payment of its debts generally; or

- suffers an Insolvency Event (being defined to include an order made or resolution passed for the winding up of the Company, a liquidator, administrator or official manager is appointed, the Company enters into a scheme of arrangement with or an assignment for the benefit of its creditors or is unable to pay its debts when they fall due);

➢ the Company or any of its related parties:

- dispose or agree to dispose of the whole or a substantial part of its business or property;
- ceases or threatens to cease to carry on business;
- changes or agrees to change the whole or a substantial part of its business or property (except for a charge referred to in this Prospectus),

without the prior written consent of the Underwriter.

6.2 Rights and Liabilities Attaching to New Shares

New Shares issued pursuant to this Prospectus will be fully paid ordinary shares in the capital of the Company. The rights and liabilities attaching to Shares are set out in the Company's Constitution and are regulated by the Corporations Act, the general law, the Listing Rules and the ASTC business rules.

Further to Section 2.14, the following is a summary of the principal additional rights and liabilities attaching to the New Shares.

- General Meetings
  Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Company's Constitution, the Corporations Act or the Listing Rules.

- Voting
  Subject to any rights or restrictions for the time being attached to any class or classes of shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by a representative has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per share on a poll. A person who holds an ordinary share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share. A member is not entitled to vote unless all calls and other sums presently payable by the member in respect of shares in the Company have been paid. Where there are two or more joint holders of the share and more than one of them is present at a meeting and tenders a vote in respect of the share (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of members.

- Issues of Further Shares
  The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Company's Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the shares in special classes of shares.

- Variation of Rights
  At present, the Company has on issue one class of shares only, namely ordinary shares. The rights attached to the shares in any class may be altered only by a special

resolution of the Company and a special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

- Transfer of Securities
  Subject to the Company's Constitution, the Corporations Act, the ASTC Settlement Rules and the Listing Rules, securities are freely transferable.
  The securities may be transferred by a proper transfer effected in accordance with ASTC Settlement Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors that is permitted by the Corporations Act. The Company may decline to register a transfer of securities in the circumstances described in the Company's Constitution and where permitted to do so under the Listing Rules. If the Company declines to register a transfer, the Company must, within five business days after the transfer is lodged with the Company, give the lodging party written notice of the refusal and the reasons for refusal. The Directors must decline to register a transfer of shares when required by law, by the Listing Rules or by the ASTC Settlement Rules.

- Partly Paid Shares
  The Directors may, subject to compliance with the Company's Constitution, the Corporations Act and the Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

- Dividends
  The Company in general meeting may declare a dividend if the Directors have recommended a dividend, and a dividend shall not exceed the amount recommended by the Directors. The Directors may authorise the payment to the members of such interim dividends as appear to the Directors to be justified by the Company's profits and for that purpose may declare such interim dividends.
  Subject to the rights of members entitled to shares with special rights as to dividend (if any), all dividends in respect of shares (including ordinary shares) are to be declared and paid proportionally to the amount paid up or credited as paid up on the shares.

- Winding Up
  Subject to the rights of holders of shares with special rights in a winding up, if the Company is wound up, members (including holders of ordinary shares) will be entitled to participate in any surplus assets of the Company in proportion to the shares held by them respectively irrespective of the amount paid up or credited as paid up on the shares.

- Directors
  The Company's Constitution states that the minimum number of directors is three.

- Powers of the Board
  The Directors have power to manage the business of the Company and may exercise that power to the exclusion of the members, except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Company's Constitution.

- Shareholders Liability
  The New Shares offered under this Prospectus will be fully paid and will impose no obligation to pay any further amount by way of call or as a contribution in a winding up. As the New Shares are fully paid up, they will not become liable for forfeiture.

- Alteration of Constitution
  The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting.

- Listing Rules
  Despite anything in the Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules.

6.3 Litigation

The Directors are not aware of any material legal proceedings which have been threatened or actually commenced against the Company or any of its subsidiaries which are not provided for in the Company's accounts.

6.4 Directors' Interests

- Interests in Securities

  As at the date of this Prospectus, the interests (direct or indirect) of Directors in securities of the Company were:

Director	Shares	Notes	Options
H Stehr AO	*76,008,000	*1,000,000	200,000
M Stehr	160,000	160,000	100,000
I McLachlan AO	100,000	50,000	100,000
Sir T O'Regan	Nil	Nil	100,000
P Robinson - alternate for H Stehr AO	78,500	62,500	Nil

*These Shares and Notes are held by Australian Tuna, and Stehr Group, companies controlled by Hagen Stehr. They have committed to convert all of their Notes to Shares and to take up their full entitlements to New Shares under the Rights Issue.

The Notice of Annual General Meeting to be held on 20 November 2007 includes resolutions to approve the grant by the Company of a further:
- 100,000 Options to H Stehr AO (or his nominee);
- 900,000 Options to M Stehr (or his nominee);
- 50,000 Options to I McLachlan AO (or his nominee);
- 50,000 Options to Sir T O'Regan (or his nominee);

on the terms and conditions therein described. If granted, these Options will not be capable of being exercised to participate in the Rights Issue.

- Interests of Directors

  Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

  - the formation or promotion of the Company; or
  - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer under this Prospectus; or
  - the Offer under this Prospectus.

  Paul Robinson is a director and shareholder of Capital Strategies Pty Ltd which has provided and continues to provide commercial advisory services to the Company. Refer to Section 6.6 below for details of payments of fees.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or given or agreed to be paid or given to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or any company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

- Remuneration of Directors

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the non-executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the non-executive Directors has been fixed at a maximum of $300,000 per annum to be apportioned among the non-executive Directors in such manner as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

Each non-executive Director is presently entitled to director's fees of $50,000 per annum. From 1 January 2008, it is proposed that these fees be increased to $120,000 per annum in respect of Hagen Stehr AO and to $60,000 per annum in respect of each of Ian McLachlan AO and Sir Tipene O'Regan.

Executive Directors are full time employees of Clean Seas. The salary of Marcus Stehr, the Managing Director, is presently $100,000 per annum. From 1 January 2008 it is proposed that his salary be increased to $240,000 (plus 9% superannuation) per annum.

- Directors Deed of Indemnity and Access

The Company has entered into a deed of indemnity, insurance and access with each Director. The indemnity is subject to restrictions prescribed in the Corporations Act.

In summary, the deed:

- indemnifies a Director against liabilities arising as a result of acting as a director subject to certain exclusions and provides for related legal costs to be paid by the Company;

- requires the Company to maintain an insurance policy against any liability incurred by a Director in his or her capacity as a director during that person's term of office and 7 years thereafter; and

- provides a Director with a right of access to board papers and other documents while in office and for 7 years thereafter.

- Insurance

The Company has effected and maintains, Directors' and Officers' Liability and Company Reimbursement insurance.

6.5 Interests of Experts and Advisers

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company with which any of those persons is or was associated has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer under this Prospectus; or
- the Offer under this Prospectus.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or given or agreed to be paid or given to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Lonsec Limited has acted as Underwriter to the Offer and will be paid fees in accordance with the Underwriting Agreement described in Section 6.1, from which payments will be made to Cartesian Capital Pty Limited. Lonsec Limited's subsidiary, LCS Capital Pty Limited, acted as underwriter under the IPO prospectus in respect of which it received fees of $945,000 from which payments were made to Cartesian Capital Pty Limited.

Cartesian Capital Pty Limited has acted as Lead Manager to the Offer and has performed work in relation to equity raising, due diligence and financial advisory services, for which it will be paid $285,000 plus disbursements from the Company. In addition, Cartesian Capital Pty Ltd has received at their normal rates totalling approximately $713,000 for other like services rendered for the Company during the 2 year period ending on the date of this Prospectus. These fees included amounts payable to brokers and sub-underwriters associated with the Company's equity raisings.

O'Loughlins Lawyers have acted as the solicitors to the Company in relation to the Rights Issue Offer and assisted the Company with the preparation of this Prospectus. In respect of this work, the Company has agreed to pay O'Loughlins Lawyers $70,000 for these services up to the date of this Prospectus. In addition, O'Loughlins Lawyers have received and will receive professional fees at their normal rates totalling approximately $260,000 for other legal work for the Company during the 2 year period ending on the date of this Prospectus.

Capital Strategies Pty Ltd has provided commercial advisory services to the Company in relation to the Rights Issue Offer, for which it will be paid $100,000. In addition, it has received fees at their normal rates totalling approximately $325,000 for services rendered for the Company during the 2 year period ending on the date of this Prospectus.

6.6 Consents

- Each of the parties named below:
  - does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based;
  - has had no involvement in the preparation of this Prospectus (unless expressly stated to the contrary);

- has not authorised or caused the issue of this Prospectus; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified below.

- Each of the following has consented in writing to being named in this Prospectus in the capacity as noted below and in the form and context in which it is named and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:
  - Lonsec Limited as Underwriter;
  - Cartesian Capital Pty Ltd as Lead Manager
  - Grant Thornton as Auditors of the Company;
  - O'Loughlins Lawyers as Legal Advisers to the Company;
  - Capital Strategies Pty Ltd as a provider of commercial advisory services to the Company;
  - Registries Limited as Share Registrar; and
  - Pitcher Partners Corporate Pty Ltd as the independent expert in respect of the Independent Expert's Report which accompanies the Company's Notice of Annual General Meeting dated 15 October 2007.
- Pitcher Partners Corporate Pty Ltd has given its written consent (and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC) to being named in the form and context in which it is named and to the incorporation by reference into this Prospectus of its said Independent Expert's Report.
- There are other persons referred to in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.
- Copies of the consents are available for inspection, without charge, at the registered office of the Company.

6.7 Share trading history

The highest and lowest market sales price of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC, and the respective dates of those sales and the last sale on the Business Day immediately preceding the date of lodgement of this Prospectus with ASIC, were:

	Date	Price
Highest	7 November 2007	$2.14
Lowest	13 September 2007	$1.02
Latest	8 November 2007	$2.10

6.8 Continuous Disclosure and Documents Available for Inspection

This Company is a "disclosing entity" for the purposes of Section 111AC of the Corporations Act. As such it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any Regional Office of ASIC.

The New Shares to be issued pursuant to this Prospectus are Shares that are in the same class as the Shares of the Company that are and have been quoted on the stockmarket of ASX at all times in the 12 months before the date of this Prospectus.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it, during the application period for this Prospectus:

(a) the annual financial report for the financial period of the Company ended 30 June 2007 (being the last annual financial report lodged with ASIC in relation to the Company before the issue of this Prospectus); and

(b) all continuous disclosure notices given by the Company after the lodgment of the annual financial report referred to in paragraph (a) above and before the lodgement of this Prospectus with ASIC being:

Date	Description
08/11/07	Trading Halt
31/10/07	Tuna transfer successful again
31/10/07	Appendix 4C – quarterly
19/10/07	Annual Report 2007 amended
19/10/07	Amendment to 2007 annual report
18/10/07	Sainsbury stocks Clean Seas
16/10/07	Merger announcement
16/10/07	Notice of Annual General Meeting/Proxy Form

If you require any further information in relation to the Company, it is recommended that you should take advantage of the ability to inspect or obtain copies of disclosures made by the Company as referred to above.

6.9 Expenses of the Rights Issue

The Company will be responsible for the expenses of the Rights Issue estimated to be made up as follows:

	$
ASIC lodgement fee	2,010
ASX fee	22,000
Underwriting/Legal Manager fees	321,400
Legal fees (including contribution to Underwriter's legal fees)	80,000
Accounting fees	10,000
Commercial Advisory fees	80,000
Printing, mailing, marketing costs, etc	40,000
Total	**555,410**

Section 7 Glossary of Defined Terms

Terms and abbreviations used in this Prospectus have the following meaning unless otherwise stated or unless the context otherwise requires:

$, AUD or dollars	Australian Dollars.
Applicant	a person who submits an Application.
Application Form	a Rights Issue Entitlement and Acceptance Form and **Application** and **Applicant** have corresponding meanings.
Application monies	the Issue Price multiplied by the number of New Shares applied for.
Associate	has the meaning given by Division 2 of Part 1.2 of Chapter 1 of the Corporations Act.
ASIC	Australian Securities and Investments Commission.
ASTC	ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).
ASTC Settlement Rules	the operating rules of ASTC or of any relevant organisation which is an alternative to, or successor or replacement of, ASTC or any applicable clearing and settlement facility operator.
ASX	ASX Limited (ACN 008 624 691).
Australian Tuna	Australian Tuna Fisheries Pty Ltd (ACN 101 149 062).
Board	the Directors of the Company from time to time.
Business Day	has the meaning ascribed to it in the Listing Rules
Cartesian Capital	Cartesian Capital Pty Limited (ABN 44 107 411 174).
CHESS	Clearing House Electronic Subregister System.
Clean Seas	Clean Seas Tuna Limited (ABN 61 094 380 435).
Closing Date	5.00pm (Adelaide Time) 14 December 2007 being the last date by which completed Entitlement and Acceptance Forms will be accepted for the Offer or such other date as the Directors in consultation with the Underwriter may, subject to the Listing Rules and the Corporations Act, determine.
Company	Clean Seas Tuna Limited (ABN 61 094 380 435).
Constitution	the constitution of the Company
Corporations Act	the Corporations Act 2001 (Cth) and Corporations Regulations.

CSAG Clean Seas Aquaculture Growout Pty Ltd (ABN 61 094 380 499).

CSAG Shares all the issued shares in the capital of CSAG

Directors each of the persons who act as directors of the Company.

Eligible Optionholder a holder of Eligible Options.

Eligible Options the following Options, which are the only Options capable of being exercised for the purpose of participating in the Rights Issue:

Options	Holder	Expiry Date
200,000	Hagen Stehr AO	27 October 2008
100,000	Marcus Stehr	27 October 2008
100,000	Ian McLachlan AO	27 October 2008
100,000	Sir Tipene O'Regan	27 October 2008
100,000	Morten Deichmann	27 October 2010
50,000	Frank Knight	13 November 2011
50,000	Chester Wilkes	13 November 2011
50,000	Miles Wise	8 March 2012

Eligible Shareholder a Shareholder on the register of members of the Company on the Record Date.

Entitlement the number of New Shares offered to each Eligible Shareholder pursuant to this Prospectus.

Entitlement and Acceptance Form the form to be used to apply for New Shares under the Rights Issue that is referred to in, and accompanied by, a paper copy of this Prospectus.

Existing Shares Shares on issue at the date of this Prospectus.

Independent Expert's Report the Independent Expert's Report prepared by Pitcher Partners Corporate Pty Ltd in relation to the Company's proposed acquisition of the CSAG Shares, a copy of which Report accompanied the Company's Notice of Annual General Meeting (to be held on 20 November 2007) sent to its Shareholders.

IPO initial public offer under the IPO prospectus.

IPO prospectus the prospectus dated 28 October 2005 and lodged by the Company with ASIC on that day pursuant to which the Company conducted a fully underwritten initial public offering of 18 million Shares at an issue price of $0.50

	and 18 million Notes at an issue price of $0.50 to raise $18 million.
Issue Price	$1.35 for each New Share issued to Shareholders pursuant to the Rights Issue.
Lead Manager	Cartesian Capital.
Listing Rules	the official listing rules of ASX.
New Share	a fully paid ordinary share in the Company offered under this Prospectus pursuant to the Rights Issue.
Note	9% per annum Converting Note in and including the same class of Converting Notes as were issued under the IPO prospectus.
Noteholder	a registered holder of Notes.
Minimum Subscription	$13 million referred to in Section 2.11.
Offer	the offer of up to 17.8 million New Shares under the Rights Issue pursuant to and in accordance with this Prospectus.
Official List	the official list of entities that ASX has admitted and not removed.
Official Quotation	quotation on the Official List.
Opening Date	the date of despatch of this Prospectus to Eligible Shareholders.
Option	a right to subscribe for a Share.
Optionholder	a registered holder of Options.
Placement	the offer of 10 million Placement Shares at an issue price of $1.35 per Placement Share to sophisticated and professional investors described in this Prospectus.
Placement Shares	the 10 new Shares to be issued to investors pursuant to the Placement described in this Prospectus.
Prospectus	this prospectus dated 9 November 2007 as modified or varied by any supplementary prospectus made by Clean Seas and lodged with the ASIC from time to time.
Record Date	means 5:00 pm (Adelaide time) on 28 November 2007.
Register	company register of Clean Seas.
Registry or **Share Registry**	Registries Limited (ABN 14 003 209 836),
Rights Issue	the proposed issue of up to approximately 17.8 million New Shares under this Prospectus.
SBT	Southern Bluefin Tuna.

Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a registered holder of Shares.
Shortfall	the number of New Shares in respect of which valid Applications from Eligible Shareholders have not been received by the Closing Date.
Shortfall Shares	the New Shares comprising the Shortfall.
Stehr Group	Stehr Group Pty Limited (ACN 007 628 542).
Underwriter	Lonsec Limited (ABN 56 061 751 102).
Underwriting Agreement	the Underwriting Agreement dated on or about the date of this Prospectus between the Company and the Underwriter.

References in this Prospectus to "**Sections**" are to Sections of this Prospectus.

The Postal Acceptance Rule does not apply to the Offer.

Section 8 Directors' Consents

Each Director of Clean Seas Tuna Limited has consented in writing to the lodgement of this Prospectus with ASIC and has not withdrawn that consent prior to lodgement of this Prospectus.

Dated this 9th day of November 2007.

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Hagen Stehr AO – Chairman
Clean Seas Tuna Limited

Corporate Directory

Directors

Hagen Stehr, AO
Chairman

Marcus Stehr
Managing Director

Sir Tipene O'Regan
Non Executive Director

Ian McLachlan AO
Non Executive Director

Paul Robinson
Alternate Director for Hagen Stehr

Legal Advisers

O'Loughlins Lawyers
Level 2
99 Frome Street
Adelaide SA 5000

Auditors

Grant Thornton
South Australian Partnership
67 Greenhill Road
Wayville SA 5034

Company Secretary

Frank Knight

Lead Manager

Cartesian Capital Pty Limited
Level 17
15 Castlereagh Street
Sydney NSW 2000

Share Registry

Registries Limited
Level 7
207 Kent Street
Sydney NSW 2000

PO Box R67
Royal Exchange NSW 1223
Tel: (02) 9290 9600
Fax: (02) 9279 0664

Registered Office

Unit 1
7 North Quay Boulevard
Port Lincoln SA 5606

www.cleanseas.com.au
ABN 61 094 380 435

Underwriter

Lonsec Limited
ABN 56 061 751 102
Level 22
500 Collins Street
Melbourne Vic 3000

ASX Code
CSS