



## **CLEAN SEAS HALF YEAR RESULT PROFIT UP, SBT BREEDING PROGRAM ON TARGET**

### **1. Overview**

- Profits for 6 months to 31 December 2006 above budget.
- SBT broodstock responding well to their new onshore breeding facility at Arno Bay.
- Southern Bluefin Tuna industry economics continue to improve via materially higher prices as a consequence of reduced Japanese SBT quota and improved controls on overfishing of wild SBT and NBT.
- Integration of SAAM's Fitzgerald Bay Kingfish growout business and Port Augusta hatchery proceeding satisfactorily.
- Yellowtail Kingfish fingerling production increased to 760,000 in 1H 2007 from 400,000 in 1H FY2006, with 500,000 being retained for own growout (under contract by CSAG) compared to 150,000 in 1H FY2006.

### **2. Commentary**

The Directors of Clean Seas Tuna Limited ("Clean Seas") are pleased to announce the company's results for the six months to 31 December 2006. The profit after tax of \$536,000 for the period reflects a 615% improvement on the full FY2006 after tax profit of \$75,000.

Since listing on the ASX in December 2005, Clean Seas has:-

- Commissioned its SBT breeding facility at Arno Bay, including the successful transfer of SBT broodstock in 1H FY2007.
- Raised \$8.25 million, via a placement of 7,500,000 ordinary shares and 7,500,000 9% p.a. convertible notes at \$0.55 each, in November 2006 to institutional investors.
- Raised \$1.1 million from Clean Seas shareholders via a Share Purchase Plan of 2,000,000 ordinary shares at \$0.55 each in November 2006.
- Acquired South Australian Aquaculture Management's ("SAAM") Kingfish business and increased hatchery production. This will result in Clean Seas increasing its Yellowtail Kingfish and Mulloway production and third party purchases from 670 tonnes in FY2006 to some 2,000 tonnes in FY2007.
- Increased after tax profits for 1H FY2007 to \$536,000 during the seasonal slower growth first half of the financial year. Directors anticipate further substantial profit improvement in 2H FY2007 as a consequence of increases in production numbers and materially improved growth over the summer/autumn period through to 30 June 2007.

Commenting on the December 2006 half year results, Clean Seas' Managing Director, Marcus Stehr, said:-

*"The last six months has been a very positive period for Clean Seas. Our SBT breeding program has achieved a major milestone of transferring broodstock Tuna into the Arno Bay Tuna facility."*

*"On the production front we have been able to materially improve profits and future profit potential in the near term through increased Yellowtail Kingfish production capacity".*

In light of the results and opportunities, Clean Seas will be examining over the period to 30 June 2007:-

- Potential improvements in production efficiencies from increased production volumes, adoption of better work practices and improved feed delivery and monitoring systems. This program is being coordinated by Chester Wilkes who joined CSAG in November 2006 as Operations Manager, after 20 years experience in northern Europe (most recently with Marine Harvest).
- Strengthened in-house and external Research & Development capabilities to prepare for full SBT aquaculture production, and required applied research solutions for improved Yellowtail Kingfish and Mulloway economic outcomes. In this regard, the company:-
  - Is currently formalising a 3+3 year Feed Supply & Technical Support Agreement with Ridley Agri Products Pty Ltd.
  - Has appointed Dr Craig Foster (formerly Managing Director of Skretting and Marine Harvest in Australia) as External Chair of the company's Research & Technical Advisory Committee.
  - Is planning to invest as the major private sector/industry participant in the December 2006 Commonwealth Government approved Seafood CRC Ltd, which entity will commence operations on 1 July 2007 with a projected seven year life and a total Research and Development budget in excess of \$100 million.

Commenting further on other opportunities open to the company, Mr Stehr advised:-

*"While the progress by Clean Seas since the float is pleasing we need to remember that full commercialisation of SBT production is a medium and not near term goal. An initial spawning during March-April 2007 is optimistically anticipated by Directors, however, a large number of commercialisation challenges will then need to be progressively addressed. "*

*"Over the last six months the company has continued to meet the milestones outlined in the October 2005 prospectus, and we are confident that the company now has the necessary infrastructure and key personnel in place to achieve the further milestones previously outlined for our Southern Blue Fin Tuna lifecycle project."*

#### **For further information**

Marcus Stehr, Clean Seas Tuna Limited  
Emma Gilbertson, Hughes Public Relations

08 8683 4196  
08 8412 4100