



EMBARGOED FOR RELEASE UNTIL 10.30 A.M.  
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## **HIGHER TUNA PRICES AND KINGFISH GROWTH LIFT CLEAN SEAS HALF YEAR PROFIT**

Leading Australian aquaculture company Clean Seas Tuna Limited has announced a strong lift in after tax profit for the first six months of 2006-07 on the back of a significant lift in Yellowtail Kingfish production.

Clean Seas' first half profit of \$ 486,000 – earned during the slower seasonal growth period - reflects a 548 per cent improvement on the company's 2005-06 full-year profit of \$75,000 with directors anticipating a further profit lift in the second half as production increases and its fish grow more quickly over the summer/autumn period through to June 30, 2007.

Clean Seas Managing Director, Mr Marcus Stehr said Southern Bluefin Tuna (SBT) industry economics continued to improve as a result of materially higher prices following reductions in Japan's SBT quota and improved controls on overfishing of wild Southern and Northern Bluefin Tuna.

In addition, Clean Seas almost doubled its production of Yellowtail Kingfish fingerlings from 400,000 in the first half of 2005-06 to 760,000 in the same period this year, with 500,000 being retained by Clean Seas to grow to maturity, compared to 150,000 in the first half of 2005-06.

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 over the past six months;
- Raised \$8.25 million, through 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;

"The past six months has been a very positive period for Clean Seas," Mr Stehr said.

"Our SBT breeding program has achieved a major milestone of transferring broodstock Tuna into the Arno Bay Tuna facility while 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."

Mt Stehr that in light of the results and opportunities, Clean Seas would be examining over the period to June 30, 2007:

- Potential improvements in production efficiencies from increased production volumes;
- The adoption of better work practices and improved feed delivery and monitoring systems. This program is being coordinated by Chester Wilkes who joined Clean Seas Aquaculture Group 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 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.

Mr Stehr said that while Clean Seas' progress since floating had been pleasing, it should be remembered 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," he said.

"Over the past 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."

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