

11 November 2013
Company Announcement

Australian Securities Exchange Limited

CLEAN SEAS TUNA LTD (ASX: CSS): PROFIT UPDATE

The Company is pleased to provide the following market update in relation to anticipated improvement in earnings.

The Company confirms that its program to increase annual Yellowtail Kingfish production to in excess of 1,500 tonnes by FY2015 and to achieve an operating profit in that year is proceeding well, with Year Class 2013 production growing more strongly than forecast and with continued excellent survival rates. Year Class 2014 Yellowtail Kingfish fingerling production is also on target for the production and transfer to sea of some 650,000 fingerlings this season compared to YC2013 fingerling production of some 225,000 fingerlings.

Anticipated 1st Half FY2014 Results

With the continuing operational improvement in the Yellowtail Kingfish division and as a direct consequence of the receipt of \$6.157million as a R&D rebate claim announced to the market on 21 October 2013, the Company expects to report an after tax profit for 1st Half 2014.

The Company's after tax loss of \$34.1million for the prior corresponding 1st Half 2013 period included an impairment charge of \$29.7million primarily due to the write down of investment in our Southern Bluefin Tuna ("SBT") lifecycle assets and program, leaving a \$4.4million underlying loss from Yellowtail Kingfish operations. The Company does not expect any impairment charges in the current year.

For the current 1st Half 2014 period, based on current performance, the Company expects an improvement in underlying earnings. Including the \$6.157million R&D tax rebate, after tax profit is expected to be in the range \$1.5million to \$3.0million for 1st Half FY2014.

The Company's earnings are seasonal, with higher earnings recorded in the second half of each financial year due to higher fish growth rates during Summer and Autumn when the sea-water is warmer.

Anticipated FY2014 Results

The full year FY2014 results will include the \$6.157million R&D rebate received in October

2013, and an allowance for an additional smaller R&D rebate claim for 2014. The anticipated R&D rebate for 2014 will be included in the current year results now that the Company has formalised its R&D accounting and with turnover below \$20 million.

The FY2014 results are also expected to include an abnormal non-cash income item in February 2014 arising from a \$3.9million credit for deferred income. This deferred income is expected to arise on completion of reporting and other obligations in relation to an AusIndustry grant received in respect of the establishment of its SBT program, the costs of which were written off in 1st Half FY2013.

Cash Position & Requirements

As at 30 September 2013 the Company's cash position was \$3.23million. Since that date, the Company has received the \$6.157million R&D rebate and anticipates receipt of at least a further net \$5.5million from the underwritten Share Purchase Plan issue which is due to close on 26 November 2013.

The Company is now in a sound financial position and is continuing to benefit from materially improved operating performance from its Yellowtail Kingfish division.

The anticipated cash position at 31 December 2013 is forecast to be adequate to fully fund the Company's increased Yellowtail Kingfish production targets.

We are pleased to be able to confirm to shareholders these positive developments arising from our improved performance strategy.

Craig Foster
Chief Executive Officer

