

30 April 2014

Company Announcement

Australian Securities Exchange Limited

MARCH QUARTER 2014

CASH FLOW COMMENTARY

Clean Seas Tuna Limited (ASX: "CSS") announced on 16 April 2014 the continued progress in the Company's plans to achieve its interim target of annual Yellowtail Kingfish production of 1,500 tonnes per annum by early calendar 2015.

The summer growing season has resulted in higher than budgeted growth in Yellowtail Kingfish fish stocks, and the fish continue to enjoy excellent health with survival rates that exceed our previous best fish performance.

This improved productivity has allowed the Company to increase sales of Yellowtail Kingfish to 162,686 kg during the March quarter, leading to strong growth in quarterly customer receipts to \$2.9 million, an increase of more than 50% on the previous quarter. The rapid sales growth rate reflects the rebuilding of fish stocks following a deficiency in Yellowtail Kingfish feed that was resolved in 2012.

The higher fish growth rate during the warmer summer months requires a higher investment of working capital in feeding costs. This investment will set the Company up for continued growth in fish stocks to support higher sales rates over the next twelve months.

Clean Seas markets Yellowtail Kingfish as a premium fish, with a significant proportion of the Company's production being sold to restaurants and other buyers for use as high quality sashimi. Customer feedback continues to be exceptional regarding the improved quality and tasting characteristics. The improved fish health and condition profile is also leading to an improvement in fillet size and yield from our fish.

Market demand continues to be strong for Yellowtail Kingfish, and as reported, the Company has begun expanding our European sales network and re-entering the Asian region in anticipation of strong ongoing growth in Yellowtail Kingfish production.



The Directors are confident that the Company's cash balance of \$12.4 million as at 31 March 2014 is sufficient for the Company to continue to execute its plans to increase Yellowtail Kingfish production to the interim target level of 1,500 tonnes per annum.

The Company expects to be cash flow positive from funds generated by Yellowtail Kingfish sales once the 1,500 tonne p.a. sales level is reached. The Company's medium term target is to leverage existing infrastructure plus additional supportive farm assets to increase Yellowtail Kingfish production to 3,000 tonnes p.a.

Craig Foster
Chief Executive Officer



Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Clean Seas Tuna Limited

ABN

61 094 380 435

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	2,942	6,757
1.2 Payments for		
(a) staff costs	(1,326)	(3,289)
(b) advertising and marketing	(92)	(230)
(c) research and development	(173)	(498)
(d) leased assets		
(e) other working capital	(4,748)	(9,713)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	55	179
1.5 Interest and other costs of finance paid	(5)	(15)
1.6 Income taxes received\paid		6,156
1.7 Other (Grant received)		
(Insurance claim)		
(Net CRC funds)	221	75
Net operating cash flows	(3,126)	(578)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(3,126)	(578)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(649)	(1,093)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	34	50
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
Net investing cash flows	(615)	(1,043)
1.14 Total operating and investing cash flows	(3,741)	(1,621)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		9,713
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings	(18)	(184)
1.19 Dividends paid		
1.20 Other (Expenses incurred in capital raising)		(729)
Net financing cash flows	(18)	8,800
Net increase (decrease) in cash held	(3,759)	7,179
1.21 Cash at beginning of quarter/year to date	16,156	5,218
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	12,397	12,397

Notes :

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	113
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil
1.26	Explanation necessary for an understanding of the transactions - Directors fees (\$14) - Office rental payments. (\$8) - Towing (\$12) - Marina cost (\$9) - Consulting (\$36) - Staff hire (\$14) - Fish purchases (\$20)	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements (Letter of Credit)	Nil	Nil

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Curent quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,321	1,246
4.2 Deposits at call	11,076	14,822
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	12,397	16,068

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Nil	Nil
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date:30 April 2014.....
 (Company Secretary)

Print name:Frank Knight.....

Notes

+ See chapter 19 for defined terms.

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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