

31 July 2014

Company Announcement

Australian Securities Exchange Limited

JUNE QUARTER 2014

CASH FLOW COMMENTARY

Clean Seas Tuna Limited (ASX: "CSS") is pleased to report that it is ahead of its previously announced interim target of 1,500 tonnes in annual Yellowtail Kingfish production by early calendar 2015.

The Company has achieved higher than budgeted growth in Hiramasa Yellowtail Kingfish fish stocks, and is now ahead of the internal growth targets. The fish continue to enjoy excellent health and survival rates that exceed our previous best fish performance.

The Company has grown 1,390 tonnes of Hiramasa Yellowtail Kingfish in the financial 2014 year compared to the prior year of 273 tonnes. As at 30 June 2014 Clean Seas has 1,308 tonnes of fish biomass in the water, compared to 478 tonnes at 30 June 2013, an increase of 174% over the year.

The Company increased sales of Hiramasa Yellowtail Kingfish to 194.7 tonnes during the June quarter, leading to strong growth in quarterly customer receipts to \$3.3 million, an increase of more than 13% on the previous quarter.

Clean Seas markets Hiramasa 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. Clean Seas was awarded a medal at the recent 2014 Delicious awards and continues to receive highly positive customer feedback.

Market demand continues to be strong for Hiramasa 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 Hiramasa Yellowtail Kingfish production. The Company is preparing an enhanced marketing program to drive trade and consumer awareness of the qualities and value of our Hiramasa.



The Company is continuing to invest working capital in feed and operational activities to support the growth in our fish stocks to achieve sales targets. Clean Seas expects to be cash flow positive from Hiramasa Yellowtail Kingfish sales once the 1,500 tonne p.a. sales level is reached. The Company expects to be harvesting at this rate by early calendar 2015.

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.

The company expects to announce the full year results for the financial year 2014 in the third week of August.

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")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	2,868	9,599
1.2 Payments for		
(a) staff costs	(1,180)	(4,443)
(b) advertising and marketing	(106)	(336)
(c) research and development	(151)	(649)
(d) leased assets		
(e) other working capital	(3,300)	(13,013)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	133	312
1.5 Interest and other costs of finance paid	(3)	(18)
1.6 Income taxes received/(paid)		6,156
1.7 Other (Grant received)		
(Insurance claim)		
(Net CRC funds)	(66)	9
Net operating cash flows	(1,805)	(2,383)

+ See chapter 19 for defined terms.

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admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,805)	(2,383)
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	(746)	(1,839)
(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	27	77
(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	(719)	(1,762)
1.14 Total operating and investing cash flows	(2,524)	(4,145)
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	71	71
1.18 Repayment of borrowings	(19)	(203)
1.19 Dividends paid		
1.20 Other (Expenses incurred in capital raising)		(729)
Net financing cash flows	52	8,852
Net increase (decrease) in cash held	(2,472)	4,707
1.21 Cash at beginning of quarter/year to date	12,397	5,218
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	9,925	9,925

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	108
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 (\$33) - Office rental payments. (\$3) - Marina cost (\$20) - Consulting (\$11) - Staff hire (\$35) - Fish purchases (\$6)	

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	1,517	1,321
4.2 Deposits at call	8,408	11,076
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	9,925	12,397

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:31 July 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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