

ASX & Media Release

30 October 2015

SEPTEMBER QUARTER CASH FLOW REPORT AND BUSINESS UPDATE

Clean Seas Tuna Limited (ASX: CSS) has today released the September quarter Appendix 4C. The Board also wish to take the opportunity to provide a business update.

Sales

Sales in Q1FY16 were 322 tonnes which is 47% higher than Q1FY15 and 10% higher than Q4FY15. These sales were mostly to the Australian and European market while sales to the USA and Asian markets comprised 4% of the total. The Company remains focussed on substantially increasing sales to the latter markets in FY16 while also continuing to increase sales in the Australian and European market. Sales in October are approximately 10% higher than the Q1FY16 monthly average and our full year FY16 sales expectation remains at 2,000 tonnes.

Production

Our Yellowtail Kingfish continue to perform very well, maintaining excellent health and historically very high survival rates. In October we have entered the period of the year where seawater temperatures have increased above 17 degrees Celsius and therefore the Kingfish resume strong growth.

The first run of 2016 Year Class fingerlings were transferred to sea cages in September 2015 and the second run will be transferred in early November. Further runs are scheduled for December and February. The 2016 Year Class are performing very well to date and our Hatchery facility continues to reliably produce high quality fingerlings.

R&D Tax Incentive Cash Refund

The FY15 statutory accounts included \$4.6 million as the estimated cash refund to be received in FY16 attributable to FY15 R&D activities. As noted in our AGM Presentation, following completion of the required documentation this cash refund is now expected to be \$6.0 million, which is expected to be received during Q2FY16.

Outlook

We refer to our 14 October 2015 AGM Presentation which provided details of our plans, priorities and expectations in FY16 and beyond. We remain particularly focussed on our sales expansion strategy via market development and product development and the challenges associated with re-entering the USA and Asian markets. We look forward to providing further updates on these initiatives as the year progresses.

Paul Steere
Chairman

Dr Craig Foster
Chief Executive Officer

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Clean Seas Tuna Limited

ABN

61 094 380 435

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	4,809	4,809
1.2 Payments for (a) staff costs	(1,606)	(1,606)
(b) advertising and marketing	(118)	(118)
(c) research and development	(122)	(122)
(d) leased assets	-	-
(e) feed	(1,420)	(1,420)
(f) other working capital	(3,120)	(3,120)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes paid	-	-
1.7 Other – R&D Tax Incentive Refund	-	-
Net operating cash flows	(1,580)	(1,580)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,580)	(1,580)
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	(450)	(450)
(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	-	-
(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)	-	-
	(450)	(450)
Net investing cash flows		
1.14 Total operating and investing cash flows	(2,030)	(2,030)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	1,050	1,050
1.18 Repayment of borrowings	(82)	(82)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
	968	968
Net financing cash flows		
	(1,062)	(1,062)
Net increase (decrease) in cash held		
1.21 Cash at beginning of quarter/year to date	1,513	1,513
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	451	451

+ 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	210
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 \$75k - Rental payments \$16k - Consulting \$9k - Contract services and equipment hire \$110k	

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.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	7,000	1,050
3.2	Credit standby arrangements	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.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	45 ¹	1,143
4.2 Deposits at call		37 ⁰
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	45¹	1,513

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 October 2015
 (Company Secretary)

Print name: Wayne Materne

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Notes

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 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting 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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