

ASX & Media Release

29 January 2016

DECEMBER QUARTER CASH FLOW REPORT AND COMMENTARY

Clean Seas Tuna Limited (ASX: CSS) has today released the December quarter Appendix 4C.

Sales

Sales in H1FY16 were 748 tonnes which is 46% higher than the 511 tonnes in H1FY15. 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 H2FY16 and beyond while also continuing to increase sales in the Australian and European market, which have demonstrated pleasing growth to date in FY16.

Production

Our Yellowtail Kingfish continue to perform very well, maintaining excellent health and historically high survival rates. Growth has been in line with expectation during the seasonal increase in seawater temperatures. The seasonal fluctuation in seawater temperatures causes the majority of annual fish growth to occur in the second half of the financial year. Total biomass at 31 December 2015 was 2,160 tonnes which is 37% higher than the 1,578 tonnes at 31 December 2014.

The first three runs of 2016 Year Class (YC16) fingerlings have now been transferred to sea cages and the fourth and final run had commenced in the Hatchery at 31 December and are scheduled for transfer to sea cages in February 2016.

R&D Tax Incentive Cash Refund and Cash Position

The FY15 R&D Tax Incentive Refund of \$6.0 million was received in November 2015 and is reflected in the Q2FY16 Cash Flow Report. At 31 December the cash balance was \$0.4 million with the \$7.0 million Working Capital Facility completely undrawn.

David Head – Managing Director and Chief Executive Officer

As announced on 7 December 2015, David Head commenced as Managing Director and CEO on 28 January 2016. The Board again records its thanks to Craig Foster for the significant improvements achieved in the business during his period as CEO and looks forward to the next stage of strategic development with David Head.

Half-Year Results

The company is on schedule to release its half-year results in the last week of February.

Paul Steere
Chairman

David Head
Managing Director and CEO

For further information please contact;

David Head – MD & CEO
(08) 8621 2900
david.head@cleanseas.com.au

Wayne Materne – CFO & Company Secretary
(08) 8621 2911
wayne.materne@cleanseas.com.au

Clean Seas Tuna Limited
PO Box 159
7 North Quay Boulevard
Port Lincoln 5606 South Australia
Telephone +61 (0)8 8621 2900
Facsimile +61 (0)8 8621 2990
www.cleanseas.com.au



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")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	6,154	10,963
1.2 Payments for (a) staff costs	(1,433)	(3,039)
(b) advertising and marketing	(111)	(228)
(c) research and development	(104)	(226)
(d) leased assets	-	-
(e) feed	(5,807)	(7,228)
(f) other working capital	(3,594)	(6,713)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	6
1.5 Interest and other costs of finance paid	(23)	(28)
1.6 Income taxes paid	-	-
1.7 Other – R&D Tax Incentive Refund	6,031	6,031
Net operating cash flows	1,117	(462)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	1,117	(462)
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	(395)	(845)
(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)	-	-
	(395)	(845)
Net investing cash flows		
1.14 Total operating and investing cash flows	722	(1,307)
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	1,976	3,025
1.18 Repayment of borrowings	(2,772)	(2,854)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
	(796)	171
Net financing cash flows		
	(74)	(1,136)
Net increase (decrease) in cash held		
1.21 Cash at beginning of quarter/year to date	451	1,513
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	377	377

+ 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	192
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 \$13k - Consulting \$9k - Contract services and equipment hire \$95k	

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	Nil
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	377	45 ¹
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	377	45¹

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: 29 January 2016
 (Company Secretary)

Print name: Wayne Materne

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