

17 July 2013
Company Announcement

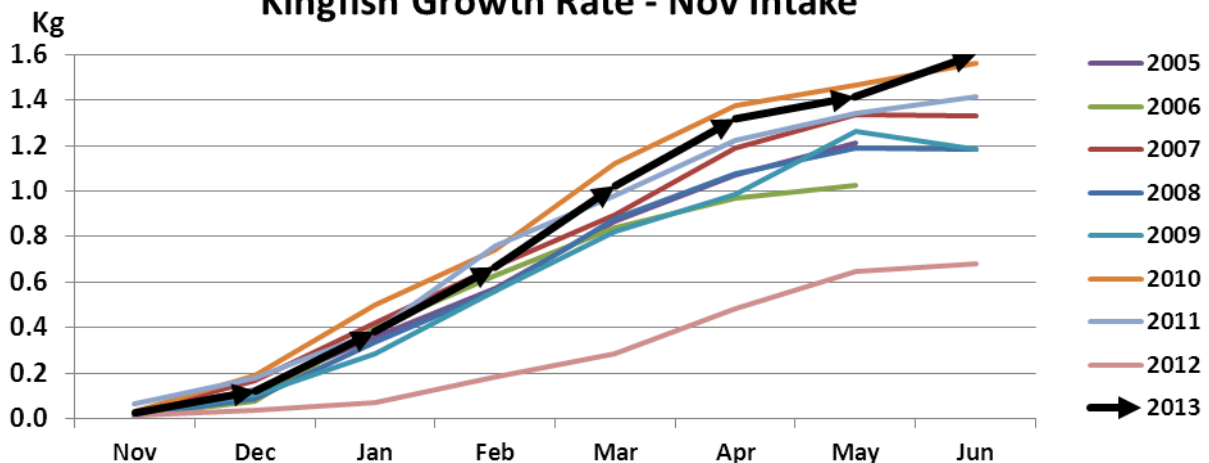
Australian Securities Exchange Limited

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

Strong Kingfish Growth and Survival Rates Continue

Clean Seas is pleased to update shareholders on the positive results from its recently completed counting and grading of this season's Yellowtail Kingfish. Survival rates continue to improve and general fish health, condition and growth rates achieved to 30 June 2013 have met or exceeded all of the Company's internal targets.

Kingfish Growth Rate - Nov Intake



Demand for Clean Seas' Kingfish remains strong, and pricing continues to be stable with farmgate pricing exceeding A\$14/kg for fresh fish.

The strong growth and survival rate of this season's Kingfish follows the resolution of feed deficiencies. The progressive supplementation of feeds from July 2012 with additional volumes of an essential amino acid (taurine) has coincided with a marked improvement in fish health and growth rates. The performance of Year Class 2013 ("YC2013") Kingfish has improved materially compared to the performance of dietary impacted YC2012 Kingfish as set out in the table below.

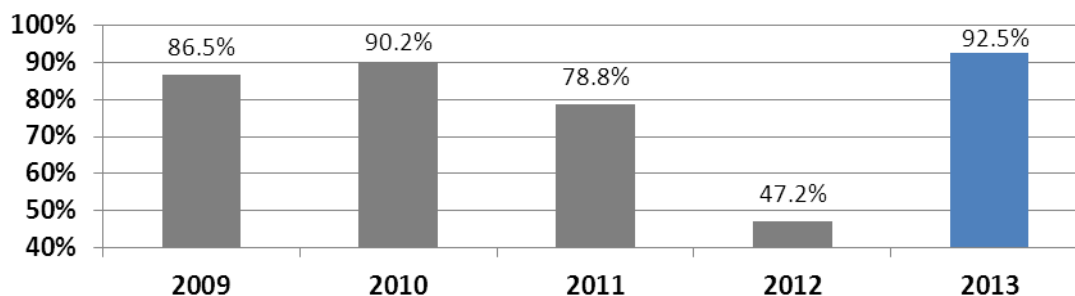


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Description	YC2012 Performance to 30 June 2012	YC2013 Performance to 30 June 2013	Percentage Improvement
Average fish weight at 30 June	0.68 kg	1.60 kg	+135%
Percentage survival to 30 June	47.2%	92.5%	+96%

The survival rates of the YC2013 Kingfish have been consistently strong over their lifecycle and are the strongest that Clean Seas has produced in recent years, supported by their good health and condition, and by higher body weights.

Survival Rate - Recent Year Classes As at end June



The YC2012 Kingfish fingerlings that had previously underperformed were transferred to sea cages in October/November 2011 for grow out. The health and condition of the YC2012 fingerlings has improved progressively throughout FY2013, with the benefit of improved feeds.

The improved fish health and growth rates are a major contributor to the significantly reduced operating loss expected by the Company for FY2013 as announced on 16 May 2013.

FY2014 Kingfish Operations

Given the strong Kingfish performance, the Board has confirmed the next step in the Company's growth strategy which includes the planned 167% increase in production from 225,000 fingerlings in YC2013 to 600,000 fingerlings in YC2014.

The increase in fingerling production commenced in June and is a key step towards our interim target of 1,100 to 1,500 tonnes per annum in FY2015, at which point the Company expects to be profitable. Clean Seas' five year production target continues to be 3,000 tonnes per annum.

Other significant changes for the FY2014 Kingfish operations include:

- Fingerlings will be transferred to sea cages at a higher average weight, which should result in more robust juveniles leading to a further reduction in early mortality rates and a shorter at-sea grow out cycle;



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- New protocols trialled in FY2013 that significantly reduced injuries to fingerlings will be applied throughout the hatchery and are expected to materially increase hatchery productivity;
- Consolidation of all at-sea grow out operations at Port Lincoln, with attendant efficiency improvements from a one site operation; and
- Further benefits from the improved dietary regime should result as we progressively sell down of YC2012 dietary impacted fish and from the introduction of YC2014 fingerlings.

The Company will continue R&D trials to assess the viability of onshore production of juvenile Kingfish utilising the extensive onshore recirculation facilities at Arno Bay. Whereas the at-sea production cycle is 18-30 months with an average of 24 months, a shorter onshore production cycle of 12 months is being assessed and may well be achievable.

In connection with these trials, the Company this year has made three successful shipments of one gram fingerlings to Europe, where they have been purchased and are being grown out in an onshore recirculation system. Clean Seas is the only producer of Hiaramasa Kingfish fingerlings globally with the ability to produce fingerlings reliably at any time of the year. This technology has the potential to enhance productivity and profitability in the future.

SBT Propagation Program Update

As advised to the market on 21 December 2012, Clean Seas suspended its Tuna Propagation Program, at least for the FY2013/14 summer. The Southern Bluefin Tuna (SBT) broodstock held in onshore facilities and in sea cages at Arno Bay remain in good health. Further, the Company has recently secured funding from Seafood CRC and Fisheries Research Development Corporation to assist with the holding costs associated with maintaining this valuable broodstock.

Summary

The Company's primary focus and commercial objective for FY2014 remains the increased production of Yellowtail Kingfish towards levels that will underpin Clean Seas' future profitability.

The survival and growth rates continue to improve with this season's Yellowtail Kingfish. The results have met or exceeded all of the Company's internal targets, underpinning the Board's confidence in the Company's growth plans.

Paul Steere
Chairman



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