
OPERATIONS UPDATE AND NEW BOARD APPOINTMENT

SHAREHOLDER APPROVAL RECEIVED FOR INVESTMENT BY SOULS PRIVATE EQUITY FUND, ACQUISITION OF 100% OF SALTWATER BARRAMUNDI OPERATION

Australian listed seafood group Marine Produce Australia Limited (ASX:MPA) (“MPA”) today announced an update on its aquaculture operations in Western Australia and the Northern Territory after receiving shareholder approval on Monday 20 June 2005 for a cornerstone 15% investment by listed private equity fund, Souls Private Equity limited (ASX:SOE) (“SPEL”), and the acquisition of a saltwater barramundi sea cage farming operation in northern WA.

SPEL Completes \$2.1M Investment

Following the receipt of shareholder approval for all four resolutions at Mondays’ General Meeting, the second tranche of 6,689,746 fully paid ordinary MPA shares will now be issued to SPEL at 10 cents, completing its \$2.1 million cornerstone investment in MPA.

SPEL’s investment – which represents its first investment in the seafood sector – will result in SPEL holding a 15% stake in the expanded issued capital of MPA. In addition, SPEL will be issued with 2,090,545 5-year, 30 cent unlisted MPA call options.

SPEL is the private equity investment arm of listed diversified investment group Washington H Soul Pattinson and Company Limited (ASX:SOL). It is an investment vehicle focusing on long term investments in unlisted and listed enterprises, and also provides assistance with the development and growth of those companies.

Saltwater Barramundi Operations, Western Australia

Following the shareholder approvals received, MPA will proceed on its option to acquire 100% ownership of the **Barramundi Sea Cage Farming Joint Venture** in northern Western Australia with Maxima Fish Farms Pty Ltd (“MFF”).

Exercising of the option allows MPA to acquire all results, intellectual property, business plans, fish stock, equipment, licences, approvals and suitable sites generated by the joint venture. MPA increases its interest from 50% currently, to 100%, by acquiring MFF’s 50% interest by issuing the equivalent of A\$400,000 worth of MPA shares to MFF.

MPA and MFF will now formalise a Memorandum of Understanding and Management Agreement giving MPA access to, and use of, infrastructure at MFF’s Cone Bay facility in Western Australia’s Kimberley region to commercialise the Saltwater Barramundi Project.

This arrangement will deliver significant upfront capital expenditure savings and production cost efficiencies. This commercialisation phase of the project will be funded from the proceeds of MPA's recent entitlements issue to shareholders and the \$2.1 million placement to SPEL (as outlined above).

Work has already commenced on the design and construction of a new 165 tonne nursery recirculation system on Turtle Island, Cone Bay. This system will be designed to accept the delivery of up to 200,000 fingerlings at a time, with first batches of fingerlings scheduled to be sourced by September 2005.

Along with the construction of these systems, MPA is planning to order and deploy 10 new 25 tonne polar sea cages by the end of the 2005/06 financial year. Detailed operating procedures, systems and protocols for the commercial operation of these sea cages will be developed and implemented over the next 12 months using data collected and experience gained during the current Joint Venture trial with MFF. Significant input on these matters will come from MPA's aquatic health management expert, Dr Mehdi Doroudi.

A harvest plan is currently being drawn up for the Barramundi fish stock grown out during the Joint Venture trials. There are currently 3 batches of fish, of various sizes ranging from 1kg to 2.5kg, approximately 4 tonne, being held in the 25 tonne capacity sea cage as part of this trial.

These fish are scheduled to be harvested in late July 2005 and will be transported to Perth for scientific analysis, processing, packaging and market testing. The post farm gate phase will be overseen by MPA's marketing and product sales distribution consultant, Mr Peter Fraser.

Aussie Prawns Operations, Northern Territory

Significant progress has been achieved recently with MPA's plans to develop a commercial prawn farming operation in northern Australia since work commenced on the redevelopment of this site, located near Darwin, in December 2004. Renovation and redevelopment activities are continuing at the "Aussie Prawns" facility.

As previously announced (10 February 2005), MPA has been able to complete 6 hectares of pond renovation ahead of schedule – enabling a program of renovation and the development of a further 8 hectares of ponds to be fast tracked in time for a planned first production run by the end of this calendar year.

Additionally, work has commenced on upgrading the existing "Aussie Prawns" hatchery, which is scheduled to be commissioned by September 2005. The hatchery will contain one row of Larval Rearing with 120-tonne capacity and another row of filters, algal growout tanks and a laboratory. There will be 3 water storage tanks with 120 tonne capacity and 3 Maturation Tanks with 120 tonne of capacity. It is envisaged that the hatchery will be able to produce a conservative 2 million prawn larvae per run.

MPA's Research and Development project involving a broodstock survey and collection in northern Australia continues to exceed expectations. The Company identified at an early stage that broodstock supply and quality was most important if prawn farming in Australia was to succeed.

Scientific permits have been granted by the Fisheries Departments of Western Australia, Northern Territory and the Federal Australian Fisheries Management Authority to allow MPA to search for and identify populations of 'roed-up' Black Tiger prawns off the north and

north-west coast of Australia. Significant resources have been allocated to this project over the past 3 years.

MPA has developed valuable intellectual property in the identification of broodstock location, catching techniques, animal handling and husbandry protocols, logistics and translocation protocols. The past 6 months has seen MPA successfully collect broodstock, during what is usually known as “out of season” and in areas close to its operations.

New Board Appointment

MPA is pleased to announce that Mr Michael Firmin will join its Board as a Non Executive Director and representative of SPEL with immediate effect.

Mr Firmin is Executive Director, Corporate Finance with SPEL’s investment manager, Pitt Capital Partners. Mr Firmin has eight years corporate finance and private equity experience in the UK and Europe, concentrating on mergers and acquisitions and initial public offerings.

In welcoming Mr Firmin to the MPA Board, the Company’s Executive Chairman, Mr Ashley Zimpel, said: “We are delighted to welcome someone of Michael’s experience in the corporate sector with the ability to provide strategic advice and guidance to listed and unlisted companies, particularly emerging growth companies. Michael’s contribution will be invaluable to MPA as we progress our long term growth and development strategy to become a major Australian premium seafood producer.”

International Marketing Activities

MPA marketing personnel recently attended the European Seafood Exposition in Brussels (May 2005), to follow up last year’s attendance at this important international event for the seafood industry, during which research was carried out on product quality, pricing and positioning, packaging, competitors and seafood buyers.

MPA’s attendance at this year’s event was significantly enhanced by the experience and extensive knowledge base contributed by Mr Peter Fraser, whose appointment as MPA’s Marketing and Product Distribution Consultant was announced on 10 February 2005. Mr Fraser arranged introductions to several leading global seafood buyers who have shown keen interest in MPA’s brand positioning strategies.

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**ASHLEY ZIMPEL (EXECUTIVE CHAIRMAN)
JOHN HUTTON (MANAGING DIRECTOR)
MARINE PRODUCE AUSTRALIA LIMITED**

Tel: (08) 9321 9200

Background on MPA

MPA was listed on the Australian Stock Exchange in 2003 offering investors the opportunity to gain exposure to a diversified seafood producer adhering to sustainable farming practices.

MPA was spun out of Australia's third largest Cultured South Sea Pearl producer, Maxima Pearling Company ("**Maxima**"), established in North Western Australia in 1990.

MPA is successfully moving towards the production of Black Tiger Prawns and Saltwater Barramundi from its Land and Sea farming operations in the Northern Territory and Western Australia.

MPA is focussing on developing strong brand recognition and product positioning and will be targeting a predominantly international market seeking healthy, sustainable, premium quality Australian seafood.

Site selection for MPA's operations has been carefully carried out based on geography, ecology, climatic conditions and access to broodstock. The Company has successfully applied for licences for sea cage and land based grow out sites in Northern Australia.

As a primary producer MPA is very aware of its environmental responsibilities. MPA is working with leading global non-profit environmental group "Leave No Trace Australia" and marine ecologists in order to establish and maintain the highest possible environmental standards in all its farming operations.

The Company's management consists of aquaculture specialists and executives with a background in investment banking, finance, food and marketing.

The Company is represented by management on many key industry advisory groups including the National Aquaculture Council, Western Australian Fishing Industry Council, National Food Industry Strategy, Australian Barramundi Farmers Association and the Australian Prawn Farmers Association.

Additional Information

Marine Produce Australia Limited	www.marineproduce.com
National Aquaculture Council	www.australian-aquacultureportal.com
Australian Barramundi Farmers Association	www.abfa.info
Australian Prawn farmers Association	www.apfa.com.au
Western Australian Fishing Industry Council	www.wafic.com.au

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ASHLEY ZIMPEL (EXECUTIVE CHAIRMAN)
JOHN HUTTON (MANAGING DIRECTOR)
MARINE PRODUCE AUSTRALIA LIMITED

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