

9 October 2006

«Holder_Name»
«ADDRESS_1»
«ADDRESS_2»
«ADDRESS_3»
«ADDRESS_4»
«ADDRESS_5»

Holder Number: «HOLDER»

No of Opts Held @ 9/10/06: «no_opts»

Dear Option holder

PARTICIPATION IN PRO-RATA NON-RENOUNCEABLE ENTITLEMENTS ISSUE

The directors of Marine Produce Australia Limited ("MPA" or "Company") advise that the Company will be making a Pro-Rata Non-Renounceable Entitlements Issue to all shareholders on the basis of 1 share for every 1 share held on 20 October 2006 ("Record Date") at an issue price of \$0.02.

The terms and conditions of the options you currently hold do not entitle you to participate in the above Pro-Rata Non-Renounceable Entitlements Issue.

To participate in the Pro-Rata Non-Renounceable Entitlements Issue, you must exercise your options in time for the new shares to be allotted prior to the Record Date. To ensure that your new shares are allotted prior to the record date, your Notice of Exercise of Options together with a cheque for the requisite amount must be received by our share registry, Security Transfer Registrars Pty Ltd, **no later than 19 October 2006**. Any Notice of Exercise of Options received after this date cannot be assured of allotment prior to the record date.

In order to assist option holders, we have enclosed a copy of the Notice of Exercise of Options with this letter.

Your option holding details recorded at our share registry as of today are as above.

This notice is important and requires immediate attention. If you are in doubt as to the action you should take in relation to this notice, you should consult with your professional adviser for advice immediately.

Should you have any questions in relation to the above matters, please contact our registry on telephone (08) 9315 2333, facsimile (08) 9315 2233 or e-mail registrar@securitytransfer.com.au.

Yours faithfully
JEAN MATHIE
COMPANY SECRETARY

MARINE PRODUCE AUSTRALIA LTD

ABN 70 091 805 480

Terms and Conditions of the Options Expiring 30 September 2007

- (a) Definitions:
(i) Company means Marine Produce Australia Limited (ABN 70 091 805 480).
(ii) Exercise Price means the exercise price of each September 2007 Option, being 8 cents.
(iii) Expiry Date means 5.00pm (WST) on 30 September 2007.
(iv) Exercise Notice means the form prescribed by the Company from time to time for the purpose of exercising September 2007 Options.
(v) Option Holder means the person or persons registered as the holder of one or more September 2007 Options from time to time.
(vi) Option Underwriter means any person or persons (other than the Company) that is party to an Option Underwriting Agreement.
(vii) Option Underwriting Agreement means all agreements made prior to the Expiry Date between the Company and an Option Underwriter whereby the Option Underwriter agrees to exercise the Underwritten Options prior to the Underwritten Expiry Date.
(viii) Share means a fully paid ordinary share in the capital of the Company.
(ix) Underwritten Expiry Date means, if the Company has entered into an Option Underwriting Agreement, 5.00pm (WST) 14 days after the Expiry Date.
(x) Underwritten Options means that number of Unexercised Options the subject of an Option Underwriting Agreement.
(xi) Unexercised Option Holder means any person or persons registered as the holder of Unexercised Options.
(xii) Unexercised Options means all September 2007 Options not exercised on or before the Expiry Date.
(b) Each September 2007 Option carries the right to subscribe for one Share.
(c) September 2007 Options may be exercised by the Option Holder by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Expiry Date.
(d) If the Company has entered into an Option Underwriting Agreement, then at the Expiry Date all Unexercised Option Holders immediately, unconditionally and irrevocably appoint the Company as the Option Holder's agent to transfer all Unexercised Options the subject of an Option Underwriting Agreement to the Option Underwriter and the Option Underwriter is entitled to exercise the Unexercised Options by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Underwritten Expiry Date.
(e) Each Exercise Notice must state the number of September 2007 Options to be exercised and be accompanied by the relevant holding statement(s) and a cheque (in Australian currency) made payable to the Company for an amount being the result of the Exercise Price multiplied by the number of September 2007 Options being exercised.
(f) Following receipt of a properly executed Exercise Notice and application monies in respect of the exercise of any September 2007 Options, the Company will issue the resultant Shares and deliver notification of shareholdings.
(g) The Company will make application to have the Shares (issued pursuant to an exercise of September 2007 Options) listed for quotation by ASX within 7 days of the date of issue.
(h) Shares issued pursuant to an exercise of September 2007 Options shall rank, from the date of issue, pari passu with existing Shares in all respects.
(i) September 2007 Options carry no right to participate in pro rata issues of securities to shareholders unless the September 2007 Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
(j) Each Option Holder will be notified by the Company of any proposed pro rata issue of securities to shareholders in accordance with ASX Listing Rules.
(k) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the September 2007 Options will be changed to the extent necessary to comply with the requirements of the Corporations Act 2001 and ASX Listing Rules (in force at the time of the reorganisation).
(l) Except as noted in paragraph (k) above, a September 2007 Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the September 2007 Option can be exercised.

NOTICE OF EXERCISE OF OPTIONS

To
The Directors
Marine Produce Australia Ltd
UNIT 11
38 COLIN STREET
WEST PERTH WA 6005

Share Registry:
Security Transfer Registrars Pty Ltd
PO BOX 535
APPLECROSS WA 6953
Email: registrar@securitytransfer.com.au
Ph: (618) 9315 2333 Fax: (618) 9315 2233

Shareholder Number:

I/We.....

Of

Being the registered holder of Options hereby exercise such Options to subscribe for Ordinary fully paid shares at \$0.08 per share. I/We enclose application money of \$ and authorise you to register me/us as the holder of the shares to be allotted to me/us and /we agree to accept such shares subject to the Rules of the Constitution of the Company.

Individual or Holder 1

Securityholder 2

Securityholder 3

Date:

Director

Director/Secretary

Sole Director/Secretary

Day / Month / Year

Contact Name

Contact Telephone Number

This application, with application money in Australian Currency, should be lodged at the Company's Share Registry on or before the Expiry Date.

NOTE: Cheques should be in Australian currency, made payable to Marine Produce Australia Ltd, crossed "Not Negotiable" and be forwarded to Security Transfer Registrars Pty.