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## MARINE PRODUCE AUSTRALIA ANNOUNCES INITIAL COMMERCIAL HARVESTS AND SALES OF TIGER PRAWNS AND BARRAMUNDI – OPERATIONS UPDATE

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Marine Produce Australia Limited (ASX: **MPA**) ("**MPA**" or "**the Company**") today announced an update on its tiger prawn and barramundi aquaculture operations, including details of the first commercial harvests and sales of both products in line with the revised operational plan announced to the market on 3 February 2006.

The commencement of commercial-scale harvesting operations and the first successful sales of tiger prawn and barramundi represent important milestones for the Company, providing important market verification of the quality of its product and the price achievable from commercial sales. This information will assist in the ongoing development of MPA's business as it continues the planned steady ramp-up of commercial production.

### FIRST COMMERCIAL SALTWATER BARRAMUNDI HARVEST AND SALE

At its Saltwater Barramundi operations, located at Cone Bay in the Buccaneer Archipelago of Western Australia, MPA has arranged for the first commercial harvest and sale to occur at the end of March 2006, following the successful trial harvests completed during 2005. A buyer has been confirmed for an initial batch of approximately **2 tonnes** of product, at whole fish prices of between \$8.00 to \$8.50 per kilogram, with an initial operational target of continuing to sell product at the rate of 2 tonnes per fortnight for the next two months.

The barramundi product sold will range from 2-4kg, representing an excellent-sized fish, with the initial product to be sold on a "whole fresh" basis. However, MPA intends to produce some added-value product samples from this initial batch in order to seek further product market acceptance. It is envisaged that, in time, "fillet" and "sides" production will also form part of the Company's product range.

MPA has utilised the additional grow-out period of the initial batch to continue to chart the growth cycle of the fish, providing critical information to accurately determine the most profitable harvest size ahead of the planned ramp-up of production this year.

The Company has two 25-tonne polar sea cages currently deployed at this facility, with the first stage of a 165-tonne nursery reticulation system on Turtle Island also now fully operational, with over 150,000 juveniles currently growing through the process. A further 150,000 juveniles are scheduled to be taken into the system over the next few months once the original stock is transferred to the sea-cage system.

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MPA has carried out significant work on Turtle Island over the past few months to ensure the ability to successfully harvest saltwater barramundi of the highest quality. The second sea cage is currently stocked, with the fish growing well and sales of this product scheduled to commence later this year. The Company plans to secure and deploy an additional 10 sea cages by December 2006, in conjunction with further investment to improve harvesting processes, post-farm gate logistics and processing.

### **SUCCESSFUL SALE OF TIGER PRAWNS ACHIEVED**

As previously advised, MPA has been harvesting small batches of premium quality black tiger prawns at its "Aussie Prawns" facility in Darwin over the past two months. The Company currently operates 12 hectares of onshore grow-out ponds at this facility, with a strategic plan to increase its total capacity to 27 hectares over the next 12 months.

The product has been grown to larger sizes, with some prawns exceeding 60g per piece, which represents an optimum size for the premium international markets MPA is targeting. A total of **4 tonnes** of product has been harvested to date, with a successful initial sale of approximately **1 tonne** of product recently finalised at prices ranging between \$12 and \$17 per kilogram depending on prawn size assortment, quality level and delivered destination, with many new potential buyers now sampling the product with a view to purchase.

There are significant quantities of prawns currently in the grow-out ponds at the "Aussie Prawns" facility which are on track growth-wise for an expected larger harvest in the period between April-June 2006. The final timing of this harvest will be determined following optimisation of market conditions at the time and sizing specifications requested by customers. This highlights one of the key strategic advantages of aquaculture product compared with wild-caught product.

The "Aussie Prawns" hatchery is now fully operational, with the system currently being tested with some long-term broodstock following the recent collection of over 150 broodstock prawns, to be put through the spawning process over the next few weeks. This will become the hatchery's first commercial batch, with a further broodstock collection run scheduled during March/April 2006. The longer-term expansion plans for the operations are also progressing, with discussions currently underway with contractors.

### **MARKETING & CORPORATE UPDATE**

While the Company's focus remains on completing the trial harvests and initial sales of its product, MPA has recently held successful discussions with several of the UK's leading supermarket chains, all of whom are global brand leaders in seafood and have expressed interest in future strategic partnerships with the Company.

MPA's newly appointed Managing Director, Peter Fraser, has led these discussions, drawing on his extensive international network in the seafood industry. Mr Fraser has demonstrated product positioning concepts and packaging profiles, as well as presenting both "Aussie Prawns" and "Cone Bay Saltwater Barramundi" for testing with the aim of having product on the shelves of some of these retail giants by late 2006.

The initial response to these tastings has been very positive, with the Company also targeting premium US buyers at the Boston Seafood Fair where, again, the demand for and response to MPA's Australian-grown and branded seafood product, has been excellent.

The \$3.3 million recapitalisation announced in February comprising a share placement and 1-for-2 non-renounceable entitlements issue is nearing completion, with the entitlements issue scheduled to close on 23 March and the underwriter's conditions now fully satisfied.

Mr Fraser said the achievement of the initial sales of both barramundi and tiger prawns represented an important milestone, with the Company remaining focused on achieving its initial operational and market objectives. "The recent progress has been very positive, with our immediate focus on completing further trial harvests and commercial sales over the coming months to lay the foundations for increased production later this year," he said.

**- ENDS -**

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