

SUPPLEMENTARY PROSPECTUS

8 September 2009

This supplementary prospectus (***Supplementary Prospectus***) has been issued by Marine Produce Australia Limited (ABN 70 091 805 480) (***the Company*** or ***MPA***) and was lodged with ASIC on, and is dated, 8 September 2009. Neither ASIC nor ASX takes any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus contains details of changes to, and supplements, the Prospectus (***Prospectus***) dated 18 August 2009 issued by the Company in relation to a pro rata non-renounceable entitlements issue offered to eligible shareholders on the basis of 1 New Share at an issue price of 6 cents for every 1 Share held at the Record Date (27 August 2009). As at the Record Date the total number of Shares on issue was 111,386,427 and accordingly up to 111,386,427 New Shares may be issued pursuant to the Offer, if it is fully subscribed, raising approximately \$6,683,185 before the costs of the Offer.

This Supplementary Prospectus was issued voluntarily by the Company to supplement the disclosure in the Prospectus and must be read together with the Prospectus. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail. Definitions (often with the first letter capitalised) appear in the body of this Supplementary Prospectus (refer to bold type or quotation marks). Unless defined herein or otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

The Company has issued both a printed and electronic version of this Supplementary Prospectus and the Prospectus and the electronic versions of both may be accessed at www.marineproduce.com.

The Prospectus and this Supplementary Prospectus contain detailed information about the Company and should both be read in their entirety before completing the Entitlement and Acceptance Form attached to this Prospectus.

The directors consider an investment in the Shares to be speculative and recommend that you consult your financial adviser as to the course you should follow with respect to the New Shares. No securities will be issued on the basis of the Prospectus or this Supplementary Prospectus later than 13 months after 18 August 2009.

TIMETABLE AND CLOSING DATE

The timetable contained in the Prospectus has not been varied by this Supplementary Prospectus.

The Closing Date for the Offer remains 5:00pm (WST) on 16 September 2009. Subject to ASX Listing Rules, the directors may, in their absolute discretion, extend this Closing Date (with or without notice).

ACTING ON YOUR ENTITLEMENT

As a shareholder you may:

- a) accept your Entitlement in whole or in part only; or
- b) do nothing (in which case you will receive no benefit from your Entitlement).

Acceptance of your Entitlement must be made on the white loose-leaf form (headed *Entitlement and Acceptance Form*) referred to in the Prospectus in accordance with the instructions set out therein.

MINIMUM SUBSCRIPTION AND UNDERWRITING

For the sake of clarification, the section of the Prospectus entitled *DETAILS OF THE OFFER - Minimum Subscription and Underwriting* is amended by adding the following paragraph at the end of that section.

"As more fully described in the section *ADDITIONAL INFORMATION – Underwriting Agreements* Lasborough has agreed to subscribe for its full Entitlement of 21,534,000 New Shares and to underwrite 18,466,000 New Shares, and Denise Hutton has agreed to subscribe for her full Entitlement of 13,140,571 New Shares and to underwrite 26,859,429 New Shares."

CLARIFICATION OF USE OF PROCEEDS

The following updated table and Notes 1, 2 and 3 replace Table 1 and Note 1 to that table in the Prospectus and correct, expand on and clarify the position concerning the part repayment of loans and borrowings.

TABLE 1

Details	Minimum Subscription \$	Full Subscription \$
The continuation of the commercialisation of the Company's salt water Barramundi operations including the completion and stocking of additional sea-cages, the continued grow out, harvesting, grading, processing and marketing of Barramundi and continued additions and improvements to equipment and infrastructure	2,016,440	3,779,966
Securing a 12 month extension to the exclusivity period for the Tiwi Islands farming opportunity	50,000	50,000
Part repayment of loans and borrowings from:		
1. Lasborough ¹	250,000	250,000
2. Denise Hutton ²	2,112,000	2,112,000
3. Mathry Pty Ltd ²	200,000	200,000
4. Guy Westbrook	150,000	150,000
Estimated costs of the Offer	21,560	141,219 ³
Total	4,800,000	6,683,185

Note¹: The sum of \$250,000 was loaned to MPA by Lasborough before the Prospectus was lodged, and will be repaid by applying that sum in settlement of the issue price of approximately 4,166,667 New Shares to be taken up by Lasborough as part of its Entitlement to 21,534,000 New Shares under the Offer. Since the Prospectus was lodged, Lasborough has loaned a further \$2,150,000 to assist MPA with its salt water Barramundi Operations. This amount due by MPA to Lasborough will be offset against the amount due by Lasborough in respect of the issue price of approximately 35,833,333 New Shares to be taken up by Lasborough as the balance its Entitlement to 21,534,000 New Shares under the Offer, and as part of the 18,466,000 New Shares underwritten by it (to the extent there is a Shortfall), or repaid in cash to the extent that the issue price of those New Shares is less than the \$2,150,000 due to Lasborough.

Note²: A total of \$2,712,000 has been drawn down by MPA under a loan facility provided by Denise Hutton and Mathry Pty Ltd (an entity associated with Denise Hutton). The amount due by MPA to Denise Hutton in respect of the amounts drawn down (***the Hutton Loan Debt***) will be reduced by the sum of \$2,150,000 by applying that sum in settlement of the issue price of approximately 35,833,333 New Shares to be taken up by Denise Hutton by way of her Entitlement to 13,140,571 New Shares under the Offer and as part of the 26,859,429 New Shares underwritten by her (to the extent there is a Shortfall). If the total issue price for the New Shares issued to Denise Hutton in respect of her Entitlement and Underwritten Shares is less than \$1,600,000, the difference is intended to be paid to her in cash in reduction of the balance of the Hutton Loan Debt.

Note³: This includes an amount of \$119,659 being the maximum aggregate of underwriting fees (inclusive of GST) that would be payable to the Underwriters if none of the underwritten Shares are issued under their respective Underwriting Agreements. The maximum aggregate of underwriting fees will reduce if some of the underwritten Shares are issued under the respective Underwriting Agreements (See *ADDITIONAL INFORMATION – Underwriting Agreements* for further details).

UPDATED EFFECT ON FINANCIAL POSITION OF THE COMPANY

The following updated table and commentary replace Table 2 and the commentary contained in the section of the Prospectus entitled *EFFECT ON COMPANY - Effect on Financial Position* to update the effect on financial position of the Company.

"Table 2 is an unaudited Pre-Offer pro forma balance sheet and an Estimated Post-Offer pro forma balance sheet, each based on the last audited accounts and balance sheet of the Company as at 30 June 2008 (*Balance Date*).

TABLE 2

	Pre-Offer Pro forma \$000s	Estimated Post-Offer Pro forma \$000s
Current Assets		
Cash and cash equivalents	89	6,631
Trade and other receivables	1,263	1,263
Inventories	371	371
Biological assets	4,724	4,724
Other Assets	19	19
Total Current Assets	6,466	13,008
Non-Current Assets		
Property, plant and equipment	1,115	1,115
Total Non-Current Assets	1,115	1,115
TOTAL ASSETS	7,581	14,123
Current Liabilities		
Trade and other payables	1,593	1,593
Loans and borrowings	2,712	2,712
Employee benefits	83	83
Total Current Liabilities	4,388	4,388
NET ASSETS	3,193	9,735
Equity		
Share capital	28,828	35,370
Reserves	1,014	1,014
Accumulated Losses	(26,649)	(26,649)
TOTAL EQUITY	3,193	9,735

The unaudited Pre-Offer pro forma balance sheet has been derived from the Balance Date balance sheet adjusted to reflect material changes since the Balance Date.

The unaudited estimated Post-Offer pro forma balance sheet has been derived from the Pre-Offer pro forma balance sheet adjusted to reflect the issue of 111,386,427 New Shares under the Offer at \$0.06 each to raise approximately \$6,683,185 (assuming that the Offer is fully subscribed and no options are converted after the date of this Prospectus but prior to the Record Date), less the estimated costs of the Offer of approximately \$141,219.

As indicated in the Post-Offer pro-forma balance sheet above, the effect of raising a net amount of \$6,541,966 by the Offer is that cash increases by this amount, as does net contributed equity and net assets. If there is a shortfall of cash raised by this Offer, the shortfall will be reflected in a correspondingly lower amount of cash than shown above, and a lower amount of net contributed equity and net assets.

The Company is reviewing the carrying value of its property, plant and equipment and intangible assets for potential impairment as part of the preparation of its 30 June 2009 financial report. The preliminary outcome of that review is reflected in the carrying values of those assets in Table 2 reflecting a provision for asset impairment of \$3,171,000 driven predominantly by negative cash flows while the farming operations are expanded to a commercial and profitable scale. The Company does not expect this provision to have any material effect on the future cash flows or underlying current or future commercial value of the farming operations."

DISCLOSURE OF EFFECT ON VOTING RIGHTS - INCREASE OF RELEVANT INTEREST OF DENISE HUTTON

For the sake of clarification, the section of the Prospectus entitled *ADDITIONAL INFORMATION - Disclosure of effect on voting rights - Increase of relevant interest of Denise Hutton* is amended by adding the following sentence to Note 2 to Table 5.

"Faustus (as trustee for the GJ Hutton Family Trust) is not an underwriter to the Offer and may decide not to take up all or part of its Entitlement, in which case its interests (and the Total Hutton Interest) will decrease accordingly."

UPDATED AND CORRECTED SHARE TRADING HISTORY

The following updated and corrected tables replace the corresponding tables in the Prospectus.

The highest and lowest market price of the Shares on ASX during the three months immediately preceding the date of this Supplementary Prospectus, and the respective dates of those sales and the last sale on the business day immediately preceding the date of this Supplementary Prospectus, were:

	Dates	Cents
Highest	15/06/09	7.0
Lowest	7/09/09	4.5
Latest	7/09/09	4.5

The highest and lowest market sale price of the Shares on ASX during the 12 months immediately preceding the date of the Prospectus, and the respective dates of those sales, were:

	Dates	Cents
Highest	15/10/08	14.0
Lowest	2/03/09 and 6/03/09	3.0

CONTINUOUS DISCLOSURE AND DOCUMENTS AVAILABLE FOR INSPECTION

During the period between the lodging of the Prospectus on 18 August 2009 and the lodging of this Supplementary Prospectus on 8 September 2009, the following documents were lodged with ASIC in relation to the Company, in accordance with the Company's reporting and disclosure obligations as a "disclosing entity". Copies of these documents and the documents listed in the section entitled *ADDITIONAL INFORMATION - Continuous Disclosure and Documents Available for Inspection* in the Prospectus may be obtained from or inspected at an office of ASIC, and the Company will provide a copy of each of those documents, free of charge, to any person who asks for it during the application period for the Prospectus.

Document Date	Description
02/09/2009	Despatch of Prospectus complete
28/08/2009	Preliminary Final Report
26/08/2009	Lapse of Unlisted Options
20/08/2009	Non-Renounceable Issue letter to shareholders
19/08/2009	Operations Update

DIRECTORS' CONSENT

This Supplementary Prospectus has been issued by Marine Produce Australia Limited and each director has consented to the lodgement of the Prospectus and this Supplementary Prospectus with ASIC.

JOHN R HUTTON DIRECTOR

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