

18 August 2009

Australian Securities Exchange  
Company Announcements Office

**MARINE PRODUCE AUSTRALIA LIMITED (ASX: MPA)  
NON-RENOUNCEABLE ENTITLEMENT ISSUE**

**Marine Produce Australia Limited (the Company)** is pleased to announce that it will be offering eligible shareholders (being holders of ordinary fully paid shares) the opportunity to acquire additional fully paid ordinary shares (New Shares) in the capital of the Company via a non-renounceable entitlement issue (Entitlement Issue) on the basis of one (1) New Share for every one (1) Share held at the record date of 2009 (Record Date), with any fractional entitlement being rounded down.

New Shares under the Entitlement Issue will be offered at \$0.06 cent per Share. The number of Shares to be issued under the offer is approximately 111,386,427.

The Entitlement Issue is partly underwritten by Denise Hutton and Lasborough Investments Limited, acting independently of each other, on the terms set out in separate underwriting agreements with the Company under which each of them respectively has effectively agreed, subject to the terms and conditions of their respective Underwriting Agreements, to apply and pay for an aggregate of 40,000,000 New Shares at an issue price of \$0.06 cents per New Share, which collectively equates to the minimum subscription of \$4,800,000.

The Company does not expect the Entitlement Issue to result in any material change to the control of the Company.

The proposed timetable for the Entitlement Issue is set out below.

Prospectus lodged with ASIC; announcement of Entitlement Issue; Prospectus and Appendix 3B lodged with ASX	18 August 2009
Ex Entitlement Date	21 August 2009
Record Date for determining Entitlements to New Shares	27 August 2009
Despatch of Prospectus and Entitlement and Acceptance Form - Offer Open Date	2 September 2009
Entitlement Offer Closing Date	16 September 2009
Company notifies ASX of under subscriptions	21 September 2009
Allotment of New Shares and despatch of holding statements	23 September 2009
Expected date for trading of New Shares	24 September 2009

\*Subject to the Listing Rules, the directors reserve the right to extend the Closing Date for the Issue at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new shares.

\*\*These dates are indicative only.

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Documents attached to this announcement in relation to the Entitlement Issue:

1. Appendix 3B;
2. Prospectus with attached (blank) Entitlement and Acceptance Form;
3. letter to option holders.

J Mathie  
**COMPANY SECRETARY**

*Rule 2.7, 3.10.3, 3.10.4, 3.10.5*

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003

Name of entity	MARINE PRODUCE AUSTRALIA LIMITED
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ABN	70 091 805 480
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We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Ordinary shares (MPA)   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | Up to 111,386,427   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion).  | Shares issued on the same terms as existing ordinary fully paid shares. |
| 4 | Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?<br><br>If the additional securities do not rank equally, please state:<br><ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | Yes   |

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+ See chapter 19 for defined terms.

5	Issue price or consideration	\$0.06	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The continuation of the commercialisation of the Company's salt water Barramundi operations. Securing a 12 month extension to the exclusivity period for the Tiwi Islands farming opportunity. Part repayment of loans.	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	To be advised.	
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		222,772,854	Ordinary shares (MPA)
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		1,000,000	Options expiring 25 August 2009 exercisable at \$3.00 each
		309,055	Options expiring 30 June 2010 exercisable at \$3.00 each
		15,000,000	Options expiring 28 September 2012 exercisable at \$0.20 each
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not have a dividend policy.	

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 share for every 1 share held on the record date
14	+Class of +securities to which the offer relates	Ordinary shares
15	+Record date to determine entitlements	27 August 2009 (5.00pm WST)
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	16 September 2009
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	(a) Lasborough Investments Limited (to the lesser of 18,466,000 shares or the proportion that this is of the aggregate of all underwritten shares); (b) Denise Hutton (to the lesser of 26,859,429 shares or the proportion that this is of the aggregate of all underwritten shares), with Denise Hutton being entitled to assign the whole or part of this underwriting to Maxima Pearling Pty Ltd.
23	Fee or commission payable to the broker to the issue	(a) In the case of Lasborough Investments Limited, 4% of the of the difference between the total amount payable for the shares underwritten by Lasborough Investments Limited and the sum of \$1,107,960.00 (plus any applicable GST); (b) In the case of Denise Hutton/Maxima Pearling Pty Ltd, 4% of the of the difference between the total amount payable for the shares underwritten by Denise Hutton/Maxima Pearling Pty Ltd and the sum of \$1,611,565.74 (plus any applicable GST).
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	2 September 2009
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	18 August 2009
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

+ See chapter 19 for defined terms.

30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	23 September 2009

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

##### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

#### Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?  
 If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now  
 Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

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**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
 Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ..... Date: 18 August 2009  
 Jean Mathie (Company Secretary)

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+ See chapter 19 for defined terms.



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## PROSPECTUS

18 August 2009

**PRO RATA NON-RENOUNCEABLE ENTITLEMENTS ISSUE OF APPROXIMATELY 111,386,427 NEW SHARES AT 6 CENTS EACH ON THE BASIS OF 1 NEW SHARE FOR EACH 1 SHARE HELD AT THE RECORD DATE TO RAISE UP TO \$6,683,185 (BEFORE COSTS).**

**Applications for Shares pursuant to this Prospectus may only be made on the forms accompanying this Prospectus**

### TIMETABLE

EVENT	DATE
Announcement of Entitlement Issue; Prospectus and Appendix 3B lodged with ASX	18 August 2009
Ex Entitlement Date	21 August 2009
Record Date for determining Entitlements to New Shares	27 August 2009
Despatch of Prospectus and Entitlement and Acceptance Form - Offer Open Date	2 September 2009
Entitlement Offer closes	16 September 2009
Company notifies ASX of under subscriptions	21 September 2009
Allotment of New Shares and despatch of holding statements	23 September 2009
Expected date for trading of New Shares	24 September 2009

The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, without notice to vary the times and dates of the Entitlement Offer, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases.

MARINE PRODUCE AUSTRALIA LIMITED PO BOX 1008 WEST PERTH WA 6872  
12 WALKER AVENUE WEST PERTH WA 6005 TELEPHONE +61 8 9321 9200 FAX +61 8 9321 9300  
EMAIL [admin@marineproduce.com](mailto:admin@marineproduce.com) WEB [marineproduce.com](http://marineproduce.com)  
abn 70 091 805 480

## **CORPORATE DIRECTORY**

### **Directors**

Miles Kennedy (Non-executive Chairman)  
John Hutton  
Dr Tor Theunissen

### **Secretary**

Jean Mathie

### **Registered Office**

12 Walker Avenue  
West Perth 6005 Western Australia

### **Enquiries**

Telephone: (08) 9321 9200  
Facsimile: (08) 9321 9300  
Email: [admin@marineproduce.com](mailto:admin@marineproduce.com)  
Website: [www.marineproduce.com](http://www.marineproduce.com)

### **Share Registry\***

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross 6153 Western Australia  
Telephone: (08) 9315 2333

### **Auditors\***

KPMG  
235 St Georges Terrace  
Perth 6000 Western Australia  
Telephone: (08) 9263 7171

### **ASX Codes**

MPA (ordinary shares)

*\* These persons appear for information purposes only.*

## IMPORTANT NOTICE

This Prospectus has been issued by Marine Produce Australia Limited (ABN 70 091 805 480) and was lodged with ASIC on, and is dated, 18 August 2009.

Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus.

No shares (or other securities) will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Company has issued both a printed and electronic version of this Prospectus and the electronic version may be accessed at [www.marineproduce.com](http://www.marineproduce.com). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. There is no facility for online applications. The Corporations Act 2001 (Cth) prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. Where this Prospectus has been received, or accessed electronically, in a jurisdiction outside Australia by Non-Residents, and where that jurisdiction's securities legislation requires registration of this Prospectus, this Prospectus is provided for information purposes only. Non-Residents should refer to *ADDITIONAL INFORMATION - Non-Residents* for further details.

The Company reserves the right not to accept an application from any person if it has reason to believe that when the person was given the application, that person was not provided with a complete and unaltered copy of this Prospectus and any relevant supplementary or replacement Prospectus. If you have received an Entitlement and Acceptance Form for the securities offered by this Prospectus without a complete and unaltered copy of this Prospectus, please contact the Company who will send you a copy of this Prospectus free of charge.

This Prospectus should be read in its entirety before deciding to invest in the securities offered by this Prospectus. The directors consider an investment in the securities offered by this Prospectus to be speculative and recommend that you consult your financial adviser as to the course you should follow with respect to the Offer.

In particular, potential investors should consider the risk factors that could affect the financial performance of the Company and consider these factors in the light of personal circumstances, including financial and taxation issues (refer to *ADDITIONAL INFORMATION – Risks*).

Neither the Company nor its directors nor any party named in this Prospectus guarantee any return on capital or the performance of the Company, and no person is authorised to give any information or to make any representation in connection with the Offer. Only information and representations contained in this Prospectus may be relied on as having been authorised by the Company in connection with the Offer.

Definitions (often with the first letter capitalised) appear both in the body of this Prospectus (refer to bold type) as well as in the Glossary.

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## DETAILS OF THE OFFER

### The Offer

This Prospectus is for the offer of new Shares (**New Shares**) pursuant 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 (21 August 2009) (**the Offer**).

Disregarding any Entitlements relating to Shares issued on the exercise of options before the Record Date, 111,386,427 New Shares will be issued pursuant to the Offer, if it is fully subscribed, raising approximately \$6,683,185 before the costs of the Offer.

### Shortfall

If any shareholders do not take up their whole Entitlement, the number of New Shares not taken up will form the Shortfall (**Shortfall**).

Pursuant to the exception contained in Exception 3 of ASX Listing Rule 7.2, the directors, as part of the Entitlement Offer, reserve the right to issue the Shortfall at their discretion within three (3) months after the close of the Entitlement Offer, at an issue price of not less than 6 cents for each New Share comprised in the Shortfall.

### Acting On Your Entitlement

The number of New Shares to which a shareholder is entitled (**Entitlement**) under the Offer is shown on the form (**Entitlement and Acceptance Form**) accompanying this Prospectus and headed *Entitlement and Acceptance Form*.

As the Offer is non-renounceable, shareholders may not sell or transfer any part of their Entitlements.

If you do not accept your full Entitlement, your percentage shareholding in the Company may be diluted as a result of New Shares issued under this Prospectus.

As a shareholder you may:

- a) accept your full Entitlement;
- b) accept part of your Entitlement and allow the balance to lapse;
- c) do nothing (in which case you will receive no benefit from your Entitlement).

### Closing Date

The closing date (**Closing Date**) for acceptances will be 5:00 pm WST on 16 September 2009. Subject to ASX Listing Rules, the directors may extend this Closing Date (with or without notice and either before or after that date).

### To accept your full Entitlement

If you wish to accept your full Entitlement, you must complete the Entitlement and Acceptance Form accompanying this Prospectus (headed *Entitlement and Acceptance Form*) in accordance with the instructions set out in that form.

You must forward your completed Entitlement and Acceptance Form, together with your cheque for the amount shown on the form, to reach the Company's Share Registrars no later than the Closing Date.

Your acceptance must not exceed your full Entitlement (as shown on your Entitlement and Acceptance Form) and if it does it will be deemed to be for your full Entitlement only, and any surplus application monies will be returned to you.

### To accept part of your Entitlement and allow the balance to lapse

If you wish to accept part of your Entitlement and allow the balance to lapse, you must complete the accompanying Entitlement and Acceptance Form in respect of the number of New Shares you wish to apply for in accordance with the instructions set out in the form.

You must forward your completed Entitlement and Acceptance Form together with your cheque for the amount due in respect of New Shares applied for, calculated at \$0.06 per New Share, to reach the Company's Share Registrars no later than the Closing Date.

### Issue of New Shares

The New Shares will be issued, and holding statements dispatched to shareholders to whom New Shares have been issued, as soon as practicable after the Closing Date.

### Application Monies

Application monies will be held in a separate bank account on behalf of applicants until the New Shares are issued. If any application is rejected in whole or in part, the amount tendered in respect of New Shares that have not been issued will be repaid to the unsuccessful applicant without interest.

## Brokers' Commission

If any Entitlement and Acceptance Form received by the Company's Share Registrars bears a stamp that purports to be the stamp of the applicant's broker (**Broker**), the Company will pay to the Broker concerned a commission of 5% of the issue price of New Shares issued pursuant to the Entitlement and Acceptance Form purportedly bearing that Broker's stamp.

## Minimum Subscription and Underwriting

The Offer is conditional upon the amount of at least \$4,800,000 (**the Minimum Subscription**) being subscribed and no New Shares will be issued pursuant to the Offer until the Minimum Subscription is reached.

If the Company does not receive applications for at least the Minimum Subscription, the Company will not proceed with the Offer and all application monies will be returned to applicants, without interest.

The Offer is partly underwritten by Denise Hutton and Lasborough Investments Limited (**Lasborough**), (each an **Underwriter**) acting independently of each other, on the terms set out in separate underwriting agreements (**Underwriting Agreements**) with the Company under which each of them respectively has effectively agreed, subject to the terms and conditions of their respective Underwriting Agreements, to apply and pay for an aggregate of 40,000,000 New Shares at an issue price of 6 cents per New Share, which collectively equates to the Minimum Subscription of \$4,800,000. (See **ADDITIONAL INFORMATION – Underwriting Agreements** for further details).

## Stock Exchange Quotation

The Company will apply within 7 days after the date of this Prospectus for the New Shares being offered to be quoted on ASX. If the application for the quotation of the New Shares on ASX is not made within 7 days after the date of this Prospectus, or if the New Shares are not granted quotation within 3 months after the date of this Prospectus, the Company will:

- repay all application monies received with respect to the Offer, without interest; or
- give the applicants a supplementary or replacement Prospectus and 1 month to withdraw their applications and be repaid; or
- issue the New Shares to the applicants and give them a supplementary or replacement Prospectus and one month to withdraw their applications and be repaid.

The fact that ASX may grant quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company and the New Shares.

## USE OF PROCEEDS

Table 1 below sets out how the Company intends, as at the date of this Prospectus, to apply the funds raised pursuant to this Prospectus.

**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	1,978,440	3,741,966
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 by:		
Conversion of existing loans into New Shares	1,850,000	1,850,000
Cash repayment of existing loans	900,000	900,000
Estimated costs of the Offer	21,560	141,219 <sup>1</sup>
<b>Total</b>	<b>4,800,000</b>	<b>6,683,185</b>

Note <sup>1</sup>: 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).

In the opinion of the directors, the Company will not be materially disadvantaged if the Offer is not fully subscribed. The Company will still be able to pursue its objectives but will do so at a reduced rate than if the Offer had been fully subscribed.

Given the nature of the Company's aquaculture business, the allocation of funds detailed in the above table may change depending on environmental, regulatory, market conditions and other natural and commercial factors.

## EFFECT ON COMPANY

### Effect on Financial Position

Assuming that the Offer is fully subscribed, the Company's cash reserves, share capital and net assets will increase by approximately \$6,541,966, which is the amount that would be raised pursuant to the Offer (approximately \$6,683,185), less the estimated expenses of the Offer (approximately \$141,219).

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
<b>Current Assets</b>		
Cash and cash equivalents	29	6,571
Trade and other receivables	1,204	1,204
Inventories	371	371
Biological assets	5,204	5,204
Other Assets	18	18
<b>Total Current Assets</b>	<b>6,826</b>	<b>13,368</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	3,929	3,929
Intangible assets	457	457
<b>Total Non-Current Assets</b>	<b>4,386</b>	<b>4,386</b>
<b>TOTAL ASSETS</b>	<b>11,212</b>	<b>17,754</b>
<b>Current Liabilities</b>		
Trade and other payables	1,879	1,879
Loans and borrowings	3,112	3,112
Employee benefits	84	84
<b>Total Current Liabilities</b>	<b>5,075</b>	<b>5,075</b>
<b>NET ASSETS</b>	<b>6,137</b>	<b>12,678</b>
<b>Equity</b>		
Share capital	29,408	35,950
Reserves	488	488
Accumulated Losses	(23,759)	(23,759)
<b>TOTAL EQUITY</b>	<b>6,137</b>	<b>12,678</b>

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 in the process of reviewing the carrying value of its property, plant and equipment and intangible assets for any potential impairment as part of the preparation of its 30 June 2009 financial report. Dependent on the outcome of that review, the carrying values of those assets in the 30 June 2009 financial report may differ from those stated in Table 2.

### Effect on Capital Structure

The current capital structure of the Company following completion of the Offer (assuming that the Offer is fully subscribed and no options are converted after the date of this Prospectus but prior to the Record Date) is summarised in Table 3 below.

**Table 3**

<b>Shares</b>	<b>Number</b>
Shares on issue at the date of this Prospectus	111,386,427
Shares to be issued pursuant to the Offer <sup>1</sup>	111,386,427
<b>Shares on issue on completion of the Offer <sup>1</sup></b>	<b>222,772,854</b>
<b>Options</b>	
Unlisted June 2010 Options (exercisable at \$3.00)	309,055
Unlisted September 2012 Options (exercisable at \$0.20)	15,000,000
<b>Options on issue on completion of the Offer</b>	<b>15,309,055</b>
<b>Maximum number of Shares on a fully diluted basis following completion of the Offer <sup>1,2</sup></b>	<b>238,081,909</b>

Note <sup>1</sup>: The above table does not take into account the Entitlements that would attach to Shares that would be issued if any of the 15,309,055 unlisted options described in the table, or the 1,000,000 unlisted options described in Note 2, were exercised before the Record Date.

Note <sup>2</sup>: As at the date of this Prospectus there are 1,000,000 unlisted options, exercisable on or before 25 August 2009, each entitling the holder to acquire a Share at an issue price of \$3.00. Unless exercised on or before 25 August 2009 these options will have expired by the date of completion of the Offer.

If the Offer is not fully subscribed, the number of Shares specified in the above table on completion of the Offer will decrease by the under-subscribed amount.

## ADDITIONAL INFORMATION

### Interests, Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no (a) director of the Company or (b) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation and distribution of this Prospectus or (c) stockbroker or manager to the offer of securities under this Prospectus, has or had within 2 years before lodgement of this Prospectus with ASIC any interest in (i) the formation or promotion of the Company or (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of securities under this Prospectus or (iii) the offer of securities under this Prospectus; and no amounts have been paid or agreed to be paid and no amounts have been given or agreed to be given to any of those persons as an inducement to become or to qualify as a director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of securities under this Prospectus.

- Miles Kennedy has a relevant interest in 4 Shares held by Kennedy Holdings (WA) Pty Ltd (as trustee for the Kennedy Family Trust), 550,000 Shares held by MAK Super (WA) Pty Ltd (as trustee for the MAK Superannuation Fund) and 1,459,749 Shares held by Resource Development Company Pty Ltd (**RDC**) (as trustee for the Resource Development Discretionary Trust and the Miles Kennedy Trust).
- John Hutton has a relevant interest in 13,140,571 Shares held by Faustus Nominees Pty Ltd (**Faustus**) (as trustee for the GJ Hutton Family Trust) and 1,343,474 Shares held by JCO Investments Pty Ltd (as trustee for the JCO Superannuation Fund).
- Dr Tor Theunissen has a relevant interest in 614,917 Shares held by Indigo Holdings Pty Ltd (as trustee for Theunissen Superannuation Fund).
- The remuneration paid to the directors or their related entities during the period of 2 years prior to the date of this Prospectus is set out in Table 4 below.

**Table 4**

Director	Period (12 Months Ended)	Gross Salary	Directors' Fees	Superannuation
Miles Kennedy	18/08/2008	\$9,066.06		\$815.94
	18/08/2009	\$59,615.38		\$5,365.38
John Hutton	18/08/2008	\$103,965.18		\$311.54
	18/08/2009	\$29,807.70		\$2,682.69
Tor Theunissen	18/08/2008		\$21,250.00	
	18/08/2009		\$30,000.00	

Directors are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

- e) Miles Kennedy is a director of RDC (as trustee for the RDC Trust) and has a 50% relevant interest in RDC. He and his associates are discretionary beneficiaries of the RDC Trust. During the 2 years prior to lodgement of this Prospectus, RDC (as trustee for the RDC Trust) provided secretarial and accounting services to the Company and was paid for those services an aggregate of \$11,000.00 (exclusive of GST) during the year ended 18 August 2008 and an aggregate of \$276,304.00 (exclusive of GST) during the year ended 18 August 2009.
- f) John Hutton had a 45% relevant interest in, and is a director of Maxima Fish Farms Pty Ltd (**MFF**) which became a wholly owned subsidiary of the Company in July 2008. During that part of the 2 years prior to lodgement of this Prospectus before MFF became a wholly owned subsidiary of the Company, MFF incurred operating and capital expenses on behalf of the Company and provided aquaculture facilities and management and research services to the Company in relation to its Barramundi fish farming operations. An aggregate of \$181,790.22 (exclusive of GST) was paid by the Company to MFF in reimbursement of those capital and operating expenses and in payment for those facilities and services during the year ended 18 August 2008.
- g) John Hutton is a director of Maxima Pearling Company Pty Ltd (**MPC**) and has a 66.66% relevant interest in MPC. During the 2 years prior to lodgement of this Prospectus, MPC provided access to aquaculture infrastructure and facilities for the Company in Cone Bay and Derby, Western Australia and also incurred operating and capital expenses on behalf of the Company in relation to its Barramundi fish farming operations. \$462,705.83 and \$590,909.09 (exclusive of GST) were paid by the Company in cash and Shares, as directed by MPC, for the facilities and the provision of those services and in reimbursement of those operating and capital expenses during the years ended 18 August 2008 and 2009 respectively.
- h) John Hutton is director of Ustov Pty Ltd. During the 2 years prior to lodgement of this Prospectus Ustov Pty Ltd provided office, workshop and storage premises to the Company and was paid aggregates of \$31,500.00 and \$10,500.00 (exclusive of GST) as rent and variables in respect of the provision of that accommodation during the years ended 18 August 2008 and 2009 respectively.
- i) John Hutton is related to Denise Hutton. During year prior to lodgement of this Prospectus. Denise Hutton trading as Kimberley Palm Factory provided office, workshop and storage premises to the Company and was paid \$10,000 (exclusive of GST) as rent and variables in respect of the provision of that accommodation during the year ended 18 August 2009.
- j) John Hutton and Denise Hutton are related and are the directors of Faustus Nominees Pty Ltd (**Faustus**) and are in a named class of beneficiaries of the G J Hutton Family Trust. Denise Hutton is the holder of the issued share capital of Faustus.

In February 2008, Faustus, as trustee for the GJ Hutton Family Trust, advanced \$1,000,000 as a loan to the Company (repayable after 12 months). In September 2008, Faustus assigned its rights in this loan to Denise Hutton. Denise Hutton and her associated entities have provided a loan facility of a further \$1,750,000 to the Company. At the date of this Prospectus a total of \$2,710,000 had been drawn down under this facility and the amount due under the loan facility is secured by the assets of the Group and accrue interest at the rate of 12.0% per annum (variable in accordance with variations made to the Official Interest Rate by the Reserve Bank of Australia) from the dates of drawdown. Interest payments of \$71,512.92 and \$30,246.57 were made to Faustus in the years ending 18 August 2008 and 2009 respectively and a total of \$126,388.21 was paid to Denise Hutton and her associated entity, Mathry Pty Ltd (ACN 134550379) in respect of interest due under the loan facility during the year ending 18 August 2009.

- k) In December 2007, Dr Tor Theunissen was issued with 200,000 Shares in payment of fees (inclusive of GST) for consulting services rendered to the Company prior to his appointment as a director of the Company.

### **UNDERWRITING AGREEMENTS**

Denise Hutton and Lasborough have, independently of each other, entered into separate agreements (**Underwriting Agreements**) under which each of them have agreed to underwrite part of the Offer.

#### **Lasborough Underwriting Agreement**

Under the Underwriting Agreement entered into by Lasborough (**Lasborough Underwriting Agreement**), Lasborough has agreed to take up its entire entitlement of 21,534,000 New Shares under the Offer (**Lasborough Entitlement**) and, in addition, to underwrite the subscription of the lesser of:

- a) 18,466,000 New Shares; or
- b) the proportion that 18,446,000 is of the aggregate maximum number of all New Shares underwritten under the Lasborough Underwriting Agreement and all other underwriting agreements in relation to the Offer.

(the **Lasborough Underwritten Shares**) at the issue price of 6 cents per New Share, on the terms and conditions specified in the Lasborough Underwriting Agreement.

The total number of New Shares underwritten under the Lasborough Underwriting Agreement and all other underwriting agreements in relation to the Offer is 45,325,429 and accordingly the maximum number of Lasborough Underwritten Shares is 18,466,000.

The Lasborough Underwriting Agreement was subject to and conditional on the Company securing commitments from one or more other persons to subscribe, or procure the subscription, for a minimum of 40,000,000 New Shares by way of a commitment to take up entitlements under the Offer and a commitment to underwrite, on terms similar to those contained in the Lasborough Underwriting Agreement, the portion of the Shortfall not underwritten under the Lasborough Underwriting Agreement. Lasborough has confirmed that this condition has been satisfied in full.

If the Offer is not fully subscribed and paid for by the Closing Date, Lasborough will, subject to the terms of the Lasborough Underwriting Agreement, be obliged to apply and pay for the Lasborough Underwritten Shares.

If the number of Lasborough Underwritten Shares issued under the Lasborough Underwriting Agreement is less than 18,466,000, the Company must, following the issue of those Underwritten Shares, pay to Lasborough an underwriting fee (plus any applicable GST) of 4% of the difference, if any, between the amount payable for the Lasborough Underwritten Shares under the Lasborough Underwriting Agreement and the sum of \$1,107,960.00.

Accordingly, if no Underwritten Shares are issued to Lasborough under the Lasborough Underwriting Agreement, the maximum underwriting fee that would be payable to Lasborough under the Lasborough Underwriting Agreement will be \$44,318.40 (plus any applicable GST) and if all 18,466,000 Underwritten Shares are issued to Lasborough under the Lasborough Underwriting Agreement, no underwriting fee will be payable to Lasborough. If some Lasborough Underwritten Shares are issued to Lasborough under the Lasborough Underwriting Agreement, the underwriting fee payable to Lasborough will be 4% of the difference between the total amount payable for those Lasborough Underwritten Shares and the sum of \$1,107,960.00.

#### **Hutton Underwriting Agreement**

Under the Underwriting Agreement entered into by Denise Hutton (**Hutton Underwriting Agreement**), Denise Hutton has agreed to take up her entire entitlement of 13,140,571 New Shares under the Offer and, in addition, to underwrite the subscription of the lesser of:

- a) 26,859,429 New Shares; or
- b) the proportion that 26,859,429 is of the aggregate maximum number of all New Shares underwritten under the Hutton Underwriting Agreement and all other underwriting agreements in relation to the Offer.

(the **Hutton Underwritten Shares**) at the issue price of 6 cents per New Share, on the terms and conditions specified in the Hutton Underwriting Agreement.

The total number of New Shares underwritten under the Hutton Underwriting Agreement and all other underwriting agreements in relation to the Offer is 45,325,429 and accordingly the maximum number of Hutton Underwritten Shares is 26,859,429.

The Hutton Underwriting Agreement was subject to and conditional on the Company securing commitments from one or more other persons to subscribe, or procure the subscription, for a minimum of 40,000,000 New Shares by way of a commitment to take up entitlements under the Offer and a

commitment to underwrite, on terms similar to those contained in the Hutton Underwriting Agreement, the portion of the Shortfall not underwritten under the Hutton Underwriting Agreement. Denise Hutton has confirmed that this condition has been satisfied in full.

Denise Hutton is entitled to assign her rights and obligations to underwrite the whole of the Hutton Underwritten Shares, or such portion of the Hutton Underwritten Shares as she elects, to MPC.

If the Offer is not fully subscribed and paid for by the Closing Date, Denise Hutton and/or MPC, as applicable, will, subject to the terms of the Hutton Underwriting Agreement, be obliged to apply and pay for the Hutton Underwritten Shares.

Denise Hutton and MPC are both "related parties" of the Company within the meaning of the ASX Listing Rules and section 228 of the Corporations Act 2001 (Cth) and, as such, any issue of Hutton Underwritten Shares to either or both of them will be made on the terms and conditions of the Hutton Underwriting Agreement and under the exception to ASX Listing Rule 10.11 (which relates to the issue of securities to a related party of the Company), contained in Exception 2 in ASX Listing Rule 10.12.

If the number of Hutton Underwritten Shares issued under the Hutton Underwriting Agreement is less than 26,859,429, the Company must, following the issue of those Underwritten Shares, pay to Denise Hutton and/or MPC, as applicable, an underwriting fee (plus any applicable GST) of 4% of the difference, if any, between the amount payable for the Hutton Underwritten Shares under the Hutton Underwriting Agreement and the sum of \$1,611,565.74.

Accordingly, if no Hutton Underwritten Shares are issued to Denise Hutton and/or MPC, as applicable, under the Hutton Underwriting Agreement, the maximum underwriting fee that would be payable to them under the Hutton Underwriting Agreement will be \$64,462.63 (plus any applicable GST) and if all 26,859,429 Hutton Underwritten Shares are issued to Denise Hutton and/or MPC, as applicable, under the Hutton Underwriting Agreement, no underwriting fee will be payable to them. If some Hutton Underwritten Shares are issued to Denise Hutton and/or MPC, as applicable, under the Hutton Underwriting Agreement the underwriting fee payable to them will be 4% of the difference between the total amount payable for those Hutton Underwritten Shares and the sum of \$1,611,565.74.

#### **Material Terms Common to the Underwriting Agreements**

If there is a Shortfall, the Company must, inter alia, give the Underwriter a notice in writing (**Shortfall Notice**) stating the Shortfall and the Underwriter must, within 7 Business Days of receiving the Shortfall Notice, lodge with the Company Applications for the Underwritten Shares which the Company must issue as soon as possible and, in any event, within 3 Business Days after receiving the Applications.

The Company must apply to ASX for permission for the Underwritten Shares to be listed for official quotation; conduct the Offer in accordance with the timetable, this Prospectus, the ASX Listing Rules, the constitution of the Company and any applicable law; comply with in all material respects applicable laws and ASX and immediately inform the Underwriter in writing of any Event of Termination (as defined in the Underwriting Agreement), breach of, or default by it under the Underwriting Agreement.

If the Company is indebted to the Underwriter in respect of a loan debt, the Company must, if so requested by the Underwriter, apply so much, if any, of that debt as the Underwriter nominates, towards payment in full of the application monies payable in respect the Underwritten Shares and/or the New Shares comprised in the Underwriter's Entitlement, as the Underwriter directs.

The Underwriting Agreements contain representations and warranties by the Company and Underwriter commonly found in underwriting agreements.

The Underwriter can terminate the Underwriting Agreement at any time prior to the issue of the Underwritten Shares, by giving written notice to the Company, if:

- a) in relation to this Prospectus, ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act 2001 (Cth) or makes an interim order under section 739(3) of the Corporations Act 2001 (Cth); or any person, other than the Underwriter, who consented to being named in the Disclosure Document withdraws that consent;
- b) ASX does not give approval for the Underwritten Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
- c) a director of the Company or any Related Corporation is charged with an indictable offence;
- d) the Company's bankers issuing, or not terminating, any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;
- e) any of the following occurs:
  - i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or

- ii) the public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory; or
- iii) the adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy,

which does or is likely to prohibit, restrict or regulate the principal business of the Company, the Offer or the operation of stock markets generally;

- f) there is an outbreak of new hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, India, Japan, North Korea, Pakistan, the Peoples Republic of China, the United Kingdom, the United States of America or any member of the European Union, other than hostilities involving Afghanistan or Iraq, any country bordering Afghanistan or Iraq;
- g) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act 2001 (Cth), or an application for such a declaration is made to the Takeovers Panel;
- h) a Force Majeure, as defined in the Underwriting Agreement, (**Force Majeure**) occurs, which prevents or delays the performance of any obligation under that Agreement for more than 2 weeks;
- i) the Company is in default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement; or
- j) any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a Related Corporation (including, but not limited to, an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Corporation);

Where Force Majeure prevents or delays the Company or Underwriter from performing any obligation under the Underwriting Agreement, that obligation is suspended as long as the Force Majeure subsists, or for a period of 2 weeks from the date that the Force Majeure first occurs, whichever is the lesser.

#### **Increase of relevant interests above 20% - Section 611 of the Corporations Act 2001 (Cth)**

Subsections 606(1) and 606(1)(A) of the Corporations Act 2001 (Cth) provide, in summary and without limitation, that a person must not acquire a relevant interest in issued voting shares in a listed company through a transaction in relation to securities entered into by or on behalf of the person if, as a result of that acquisition, that person's or someone else's voting power in the company increases from below 20% to more than 20% or from a starting point that is above 20% and below 90% unless the acquisition of the relevant interest is covered by one of the exceptions set out in section 611.

Under item 10 of the table contained in section 611, an acquisition of a relevant interest in shares in a company is, in summary, exempt from the prohibition in subsection 606(1) if it results from an issue of securities under pro-rata entitlement offers of Shares made to all holders of Shares on the same terms, giving them a reasonable opportunity to accept the offers made to them and agreements to issue are not entered into until a specified time for acceptances of offers has closed. This exemption extends to an acquisition by a person as underwriter to the issue or sub-underwriter.

Under item 13 of the table contained in section 611, an acquisition of a relevant interest in shares in a company is, in summary, exempt from the prohibition in subsection 606(1) if it results from an issue under a prospectus for the issue of shares in the company and:

- a) the issue is to the person as underwriter or sub-underwriter to the issue; and
- b) the prospectus disclosed the effect that the acquisition would have on the person's voting power in the company.

#### **Disclosure of effect on voting rights - Increase of relevant interest of Lasborough**

As at the date of this Prospectus, Lasborough holds an aggregate of 21,534,000 Shares, equating to 19.33% of the total of all voting rights in the Company.

If only the Minimum Subscription is raised under the Offer and, in reaching the Minimum Subscription, Lasborough has taken up the whole of the Lasborough Entitlement and, in addition, acquired the maximum number of 18,466,000 Lasborough Underwritten Shares in compliance with its obligations under the Lasborough Underwriting Agreement, Lasborough will be the holder of 61,534,000 of the 191,386,427 Shares on issue on completion of the Offer, and its relevant interest in issued voting shares in the Company will have increased from below 20% to more than 20% by increasing from 19.33% to 32.15%.

If the Offer is fully subscribed and, in reaching this full subscription, Lasborough has taken up the whole of the Lasborough Entitlement and, in addition, acquired the maximum number of 18,466,000 Lasborough Underwritten Shares in compliance with its obligations under the Lasborough Underwriting

Agreement, Lasborough will be the holder of 61,534,000 of the 222,772,854 Shares on issue on completion of the Offer, and its relevant interest in issued voting Shares in the Company will have increased from below 20% to more than 20% by increasing from 19.33% to 27.62%.

If the number of New Shares issued falls short of the total number of New Shares comprised in the Offer but exceeds the Minimum Subscription, the number of Shares on issue on completion of the Offer will be between 191,386,427 and 222,772,854 Shares, and accordingly if Lasborough has taken up the whole of the Lasborough Entitlement and, in addition, acquired the maximum number of 18,466,000 Lasborough Underwritten Shares, Lasborough will be the holder of 61,534,000 of the Shares on issue on completion of the Offer, and its relevant interest in issued voting Shares in the Company, expressed as a percentage, will be dependent on the number of voting Shares on issue on completion of the Offer and may still increase from below 20% to more than 20%, but will be less than the 32.15% of the total voting rights in the Company that Lasborough would have had a relevant interest in if only the Minimum Subscription had been subscribed in the manner outlined above.

#### Disclosure of effect on voting rights - Increase of relevant interest of Denise Hutton

As at the date of this Prospectus, Denise Hutton holds an aggregate of 13,140,571 Shares, equating to 11.80% of the total of all voting rights in the Company.

Denise Hutton is the holder of the entire issued share capital of Faustus, is one of the two directors of Faustus and is in a named class of beneficiaries of the GJ Hutton Family Trust. As at the date of this Prospectus, Faustus, as trustee of the GJ Hutton Family Trust, holds an aggregate of 13,140,571 Shares, equating to 11.80% of the total of all voting rights in the Company.

Denise Hutton is not a director or shareholder of MPC and, as at the date of this Prospectus, MPC is not the holder of any Shares. However, Faustus is the holder of approximately two thirds of the issued share capital of MPC.

Table 5 sets out the number of Shares currently held respectively by Denise Hutton, Faustus (as trustee for the GJ Hutton Family Trust) and MPC, the percentage of voting rights these Shares represent, the number of Shares held by these shareholders if they take up their entire Entitlements, the maximum number of New Shares Denise Hutton and MPC could acquire under the Hutton Underwriting Agreement, the number of Shares held on completion of the Offer and the percentage of voting rights these Shares represent.

**Table 5,**

Reg Holder of relevant Interest	No. of Shares held <sup>1</sup>	% of total voting rights in MPA <sup>1</sup>	No of Shares held after taking up Entitlements <sup>1, 2</sup>	Max No of New Shares acquired by Underwriting <sup>3</sup>	Max No of Shares held on completion of Offer and Underwriting <sup>4</sup>	Max % of total voting Shares in MPA on completion of Minimum Subscription <sup>4</sup>	Max % of total voting Shares in MPA on completion of full subscription <sup>5</sup>
Denise Hutton/MPC	13,140,571	11.80%	26,281,142	26,859,429	53,140,571	27.77%	23.85%
Faustus (atf the GJ Hutton Family Trust)	13,140,571	11.80%	26,281,142	0	26,281,142	13.73%	11.80%
Total Hutton Interest	26,281,142	23.60%	52,562,284	26,859,429	79,421,713	41.50%	35.65%

Note <sup>1</sup>: MPC currently holds no Shares and has no Entitlement.

Note <sup>2</sup>: This assumes the shareholder takes up the shareholder's entire Entitlement.

Note <sup>3</sup>: This is the maximum number of New Shares, additional to the Hutton Entitlement that Denise Hutton/MPC (as applicable) would acquire under the Hutton Underwriting if there was an available Shortfall of at least that number of New Shares.

Note <sup>4</sup>: This column assumes that the registered holder acquires the maximum number of New Shares the holder could acquire under Entitlements and the Hutton Underwriting Agreement if only the Minimum Subscription is subscribed.

Note <sup>5</sup>: This column assumes that the registered holder acquires the maximum number of New Shares the holder could acquire under Entitlements and the Hutton Underwriting Agreement and the balance of the Offer is fully subscribed.

If the number of New Shares issued falls short of the total number of New Shares comprised in the Offer but exceeds the Minimum Subscription, the number of Shares on issue on completion of the Offer will be between 191,386,427 and 222,772,854 Shares, and accordingly if Denise Hutton has taken up the whole of the Hutton Entitlement and, in addition, she and/or MPC have acquired the maximum number of Hutton Underwritten Shares, and Faustus has taken up the whole of its Entitlement, Denise Hutton will

have a relevant interest in 79,421,713 and the percentage this will represent will be dependent on the number of voting Shares on issue on completion of the Offer and may still increase from a starting point that is above 20% and below 90%, but will be less than the 41.50% of the total voting rights in the Company that she would have had a relevant interest in if only the Minimum Subscription is subscribed in the manner outlined above.

If MPC acquires all of the 26,859,429 Hutton Underwritten Shares, the voting Shares in the Company held by MPC, expressed as a percentage, on completion of the Offer will be 14.03% of the total voting rights in the Company if only the Minimum Subscription is subscribed, and 12.06% if the Offer is fully subscribed.

## Risks

Aquaculture by its nature contains elements of significant risk. The ultimate success of aquaculture depends on the availability of suitable fingerlings from hatcheries and harvesting an economic yield from grow out to a marketable size of those fingerlings, the possibility of high mortality rates due to a variety of factors, the acquisition or access to the use of necessary licences, the maintenance and continuation of such licences or access to them, adhering to governmental regulations, conditions and approvals, obtaining and servicing funding arrangements and otherwise funding the aquaculture operations.

The Company has commenced commercial Barramundi sea cage farming operations at Cone Bay in Western Australia under an agreement with MPC for the use of and access to assets and infrastructure in connection with its sea farming operations and the Company plans to apply the funds raised through the Offer towards the continuation and expansion of those operations (See: *USE OF PROCEEDS* for further details). The Group plans to harvest and sell significantly less than the projected total fish biomass growth during the 2009 financial year to expand the biomass of the farm. This planned biomass expansion, predominantly of the fish currently on hand, is subject to harvest licensing approvals and will require significant additional investment capital. The relevant government agencies are presently considering applications to increase the existing licence and to grant further licences.

The performance of the Group's aquaculture operations and thus the value of the Company's securities could be impacted by various other factors including: weather conditions; the possibility of disease and high mortality rates; the price of and market for its products; exchange rates; unexpected variations in aquaculture development and operating costs; general economic and stock market conditions in Australia and worldwide. Many of these factors are beyond the company's control.

If the Minimum Subscription is not received and the Company is not able to otherwise secure funding from other capital raisings or other alternative funding arrangements, there is material uncertainty which may cast significant doubt as to whether the Company and Group will be able to continue as a going concern and continue to pay its debts as and when they fall due. If the Group is unable to continue as a going concern, it will be required to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts that may be different to those stated in the Company's financial reports. This includes, but is not limited to, the Group's major assets, being its biological assets, which represent approximately 75% of the Group's current assets and 50% of the Group's total assets.

The above statement of risk factors is by way of illustration only. Risk factors are also identified in the Company's Annual Financial Report for the year ended 30 June 2008 which was lodged with ASX on 26 September 2008.

There are numerous other risk factors inherent in an investment in the Company's securities and there can be no assurance whatsoever that a return on investment will be obtained by investing in the Company's securities or that the investment therein will not be lost. Further, an investment in the Company's securities should be considered in light of recent Australian and world events, which have had a significant impact on the stability of financial markets in Australia and worldwide and the ultimate consequences of which cannot be predicted with any certainty.

## Share Trading History

The highest and lowest market sale price of the Shares on ASX during the 3 months immediately preceding the date of this Prospectus, and the respective dates of those sales and the last sale on the last business day on which any sales were recorded immediately preceding the date of this Prospectus, were:

	Dates	Cents
Highest	18/05/09 and 15/06/09	7.0
Lowest	21/07/09	4.9
Latest	13/08/09	5.0

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

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

### Taxation implications for Shareholders

The directors do not consider it appropriate to give shareholders advice regarding the potential taxation consequences of subscribing for New Shares under the Entitlement Offer and the Company, its officers and advisors do not accept any liability or responsibility in respect of any such taxation consequences to shareholders.

Furthermore, the taxation implications for each shareholder will also depend on their particular circumstances, and the directors accordingly recommend that you seek your own professional tax advice concerning the tax consequences for you which arise from the Entitlement Offer. You should seek this advice whether or not you wish to take up your Entitlement.

### Continuous Disclosure and Documents Available for Inspection.

For the purposes of the Corporations Act 2001 (Cth), the Company is a "disclosing entity" and as such, it is subject to regular reporting and disclosure obligations. This Prospectus is issued in accordance with section 713 of the Corporations Act 2001 (Cth) and incorporates by reference into this Prospectus the documents itemised below that have been lodged by the Company with either of ASIC or ASX. Copies of documents lodged with ASIC in relation to the Company may be obtained from or inspected at an office of ASIC.

Any person has the right to obtain a copy of the following documents and the Company will provide a copy of each of the following documents, free of charge, to any person who asks for it during the application period for this Prospectus:

- a) the financial report of the Company for the financial year ended 30 June 2008, being the last audited annual financial report lodged with ASIC on 26 September 2008 in relation to the Company before the issue of this Prospectus;
- b) all documents used to notify ASX of the information relating to the Company under ASX Listing Rules since the lodgement of the financial report referred to in (a) above. As at the date of this Prospectus, the only such documents were:

Date Lodged	Description of Document
14/08/2009	Appendix 4C - monthly
6/08/2009	Appendix 3B
5/08/2009	Response to ASX Appendix 4C Query
30/07/2009	Appendix 4C - quarterly
24/06/2009	Appendix 3Z
24/06/2009	Director Resignation
29/04/2009	Operations Update
29/04/2009	Appendix 4C - quarterly
13/03/2009	Change of Director`s Interest Notice
5/03/2009	Tiwi Islands Opportunity
27/02/2009	Half Yearly Report and Accounts
27/02/2009	Details of Company Address
2/02/2009	Response to ASX Query re Appendix 4C
29/01/2009	Appendix 4C - quarterly
7/01/2009	Appendix 3B
16/12/2008	Change in substantial holding
12/12/2008	Change of Director`s Interest Notice
11/12/2008	Change of Director`s Interest Notice x 2
10/12/2008	Non-Renounceable Issue

<b>Date Lodged</b>	<b>Description of Document</b>
21/11/2008	Despatch of Prospectus - Non-Renounceable Entitlements Issue
21/11/2008	Results of Meeting
19/11/2008	Change of Director`s Interest Notice
13/11/2008	Letter despatched to shareholders re non-renounceable issue
11/11/2008	Letter to option holders
10/11/2008	Entitlements issue prospectus and Appendix 3B
7/11/2008	Non-Renounceable Issue
5/11/2008	Development Plan
29/10/2008	Appendix 4C - quarterly
24/10/2008	Annual Report to shareholders
24/10/2008	Notice of Annual General Meeting/Proxy Form
21/10/2008	Final Director`s Interest Notice
21/10/2008	Director Resignation
21/10/2008	Becoming a substantial holder

### **Non-Residents**

Non-Residents should consult their professional advisors as to whether any formalities need to be observed (either by themselves or the Company) to enable them to subscribe for Shares. It is the responsibility of Non-Residents to obtain all necessary approvals so they may legally subscribe for (and be issued) the Shares. The return of a completed application form from a Non-Resident applicant will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained and that the Company may legally issue the Shares to the applicant.

### **Rights and Liabilities Attaching to Shares**

New Shares issued under this Prospectus will, from the time they are issued, rank *pari passu* in all respects with the Company's existing Shares. The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights, privileges, and restrictions attaching to all Shares.

- a) Subject to any special rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at a general meeting every shareholder present in person or by proxy, representative or attorney has on a show of hands one vote and on a poll one vote for each share held.
- b) Subject to the rights of Shares issued with any special or preferential rights (at present there are none), any profits of the Company, which the Company from time to time distributes by way of dividend, will be divisible amongst the shareholders in proportion to the Shares held by them respectively.
- c) Subject to the rights of shareholders (if any) with Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company, all assets which may be legally distributed amongst the shareholders will be distributed in proportion to the Shares held by them.
- d) Subject to payment of stamp duty and to some limited restrictions contained in the Company's Constitution, ASX Listing Rules, SCH Business Rules and the Corporations Act 2001 (Cth), Shares are freely transferable.
- e) Where Shares of different classes are issued, the rights attaching to the Shares of a class can thereafter only be varied by a special resolution passed at a general meeting of the holders of the Shares of that class, or with the written consent of the holders of at least three quarters of the issued Shares of that class.
- f) Each shareholder is entitled to receive notice of and to attend and vote in person or by proxy, representative or attorney at general meetings of the Company and to receive all notices, financial reports and other documents required to be furnished to shareholders under the Constitution of the Company or the Corporations Act 2001 (Cth).

## Glossary

<b>ASIC</b>	Australian Securities & Investments Commission.
<b>ASX</b>	Australian Stock Exchange Limited (ABN 98 008 624 691).
<b>WST</b>	Australian Western Standard Time.
<b>Cents</b>	Australian cents.
<b>Company or MPA</b>	Marine Produce Australia Limited (ABN 70 091 805 480).
<b>Company's Share Registrars</b>	Security Transfer Registrars Pty Ltd (ACN 008 894 488) of 770 Canning Highway, Applecross WA 6153 and PO Box 535, Applecross WA 6953.
<b>Group</b>	The Company and its wholly owned subsidiaries
<b>June 2010 Options</b>	Unlisted options, exercisable on or before 30 June 2010, each entitling the holder to acquire a Share at an issue price of \$3.00
<b>Non-Residents</b>	Persons domiciled outside Australia.
<b>Record Date</b>	27 August 2009.
<b>September 2012 Options</b>	Unlisted options, exercisable on or before 28 September 2012, each entitling the holder to acquire a Share at an issue price of \$0.20
<b>Share</b>	Fully paid ordinary share in the capital of the Company.
<b>\$</b>	Australian dollar.

## CONSENTS

Security Transfer Registrars Pty Ltd (the Company's share registrars) and KPMG (the Company's auditors) have been named in this Prospectus for information purposes only and have not consented to being named herein.

### Directors' Consent

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



**MILES KENNEDY**  
**CHAIRMAN**



**PAYMENT INSTRUCTIONS**



Billers Code: 117226

**BPAY®** this payment via internet or phone banking.  
Your reference number is quoted on the front of this form.  
Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight). It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

**You do not need to return this form if you have made payment via BPAY.**

**Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.**



**CHEQUE/MONEY ORDER**

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd  
PO Box 535, APPLECROSS WA 6953.

**Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the closing date.**

**EXPLANATION OF ENTITLEMENT**

1. The front of this form sets out the number of Securities and the price payable on acceptance of each Security.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.

**ENQUIRIES**

All enquiries should be directed to the Company's share registry:

**Security Transfer Registrars Pty Ltd**

**PO Box 535, Applecross WA 6953 AUSTRALIA**

**770 Canning Highway, Applecross WA 6153 AUSTRALIA**

**Telephone +61 8 9315 2333**

**Facsimile +61 8 9315 2233**

**Email registrar@securitytransfer.com.au**

**PRIVACY STATEMENT**

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

18 August 2009

Dear Option Holder

**MARINE PRODUCE AUSTRALIA LIMITED  
NON-RENOUNCEABLE ENTITLEMENTS ISSUE OF SHARES  
PARTLY UNDERWRITTEN TO THE MINIMUM SUBSCRIPTION OF \$4,800,000**

The director of Marine Produce Australia Limited (the **Company** or **MPA**) today announced a 1 for 1 pro rata non-renounceable entitlements issue (Entitlements Issue) to shareholders.

The Entitlements Issue will be offered to existing shareholders on the basis of one new share (New Share) for every one share held at the record date, at an issue price of \$0.06 per share, to raise up to \$6.68 million before costs. Based on the Company's current issued share capital, the Entitlements Issue will result in up to 111,386,427 New Shares being issued, increasing the total issued capital on completion of the Entitlements Issue, assuming it is fully subscribed to 222,772,854 shares. The minimum subscription under the Entitlements Issue is 80,000,000 New Shares to raise \$4,800,000 before costs.

MPA also announced 5.00pm AWST on 27 August 2009 as the Record Date for the purposes of determining shareholders entitled to participate in the Entitlements Issue. A prospectus containing further details of the Entitlements Issue was lodged with ASIC and ASX today and will be despatched to all eligible shareholders on 2 September 2009. The Prospectus is available on the ASX website (company announcements section ASX code MPA) at [www.asx.com.au](http://www.asx.com.au) and on the Company's website [www.marineproduce.com](http://www.marineproduce.com).

Under the terms of the options you currently hold, there is no entitlement to participate in the Entitlements Issue unless you exercise your options and are entered onto the register as a shareholder on or before the Record Date. Under the terms of your options you are entitled to receive notice of the Entitlements Issue. The purpose of this letter is to give you that notice in order to permit you to participate in the Entitlements Issue should you wish to do so.

If you are not a shareholder and wish to participate in the Entitlements Issue, it will be necessary for you to exercise all or part of your options and the shares issued on the exercise of those options must have been allotted to you before the Record Date. If you wish to do so you should complete a Notice of Exercise of Options and lodge that notice with the Company together with your payment for the number of shares you wish to take up. Notice of exercise of your options and payment of the exercise price of options should be received by the Company on or before 27 August 2009 as holders lodging notices of exercise after that date cannot be assured of the allotment of shares by the Record Date.

If you do not wish to participate in the Entitlements Issue you do not need to take any action. This letter is only intended to inform you of your rights in relation to your options. This letter is not an offer or an invitation to acquire shares in MPA or to participate in the Entitlements Issue.

If you require further information please contact the undersigned or the Company's share registry, Security Transfer Registrars on (08) 9315-2333.

Yours faithfully

J Mathie  
**COMPANY SECRETARY**