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## Marine Produce Australia - Operations Update

*STRONG SALES GROWTH AS UNIT COSTS REDUCE*

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Marine Produce Australia Limited (ASX: MPA) provides the following update on its Cone Bay Saltwater Barramundi Operations in Western Australia and other corporate activities:

### Sales

- **\$3.6 million** of Barramundi sales achieved for the 9 months to March 2009 (360,000kg sold), surpassing \$3.2 million of sales for entire 2008 financial year (322,000kg sold)
- **\$1.4 million** of sales for the March 2009 quarter (140,000kg)
- Price premium remains for superior quality product
- Sales to slow during the colder winter months in line with the seasonal nature of fish sales and reduced availability of larger fish (greater than 2.5kg)

### Farming operations

- Elimination of feed rationing program to restore fish growth and farm biomass
- \$1.0 million of fish growth recorded for the month of March 2009, partly recovering lost growth from the feed rationing program in late 2008 and early 2009
- 11% reduction in year on year unit costs achieved, with further significant cost savings expected from planned capital and farm automation projects (not yet funded)

### Corporate

- Continued investigation into alternative funding methods and sources to fund the Group's Development Plan objectives
- Month-end cash position of \$72,000 with cash inflows funding fish feeding and growth
- Further \$0.6 million short term loan funding secured in March 2009
- \$0.6 million R&D tax grant funds received from the Australian Taxation Office during April 2009
- Progressing previously announced Tiwi Islands Project exclusive due diligence period – final proposal due end May 2009

## Sales Update

### *Barramundi sales – 2008/2009*

Quarter	September 2008	December 2008	March 2009	Total YTD
Sales ('000kg)	93	127	140	360
Sales (\$million)	0.9	1.3	1.4	3.6

## Farming Operations

As reported in the Interim Financial Report for the half year ended 31 December 2008, increasing demand and harvest levels combined with lack of funding for fish growth significantly depleted farm biomass in the first half of the 2008/2009 financial year.

Severe weather events in Northern Australia (in WA, NT and QLD) also caused road closures, which limited the Company's ability to maintain regular supplies of fish feed and also caused loss of fish from some cages.

The March 2009 Quarter has seen the Group begin to restore farm biomass with the elimination of the forced feed rationing program. This has seen immediate results with over 125,000kg of feed delivered to sea cages in March 2009 alone (in excess of 4,000kg per day) to drive fish growth and restore farm biomass. \$1.0 million of fish growth was recorded for the month of March 2009 for a closing farm biomass approaching 500,000kg.

The Group expects to see sales slow during the colder winter months in line with the seasonal nature of fish sales and reduced availability of larger fish (greater than 2.5kg) following a strong sales season.

A pleasing 11% reduction in year on year unit costs was recorded up to the end of March 2009, with further significant cost savings expected from planned capital and farm automation projects (not yet funded).

## Corporate

The Group's March 2009 quarter ending cash position was \$72,000 with cash inflows funding fish feeding and growth. A further \$0.6 million of short term loan funding was secured in March 2009 prior to receipt of \$0.6 million R&D tax grant funds from the Australian Taxation Office during April 2009.

The Board is continuing investigations into alternative funding methods and sources to finance the Group's Development Plan objectives to significantly expand the Company's annual biomass harvest capacity at Cone Bay to 5 million kg per annum over the next decade.

Pleasing progress has been made on the Tiwi Islands Project exclusive due diligence period, with a final report on the Group's intentions due by the end May 2009. As reported previously, this opportunity has the potential to make a significant contribution to MPA's longer-term growth objectives, including adding further annual biomass harvest capacity to the Group's operations.

Miles Kennedy  
**Director**