



Tassal Operations Pty Ltd
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Tassal Group Limited Announces Merger with Aquatas

Tassal Group Limited ("Tassal") announced today that it has signed a Merger Agreement ("Agreement") with Webster Limited ("Webster") in relation to Webster's wholly-owned subsidiary, Aquatas Pty Ltd ("Aquatas").

Following the merger, Tassal is expected to have annual revenue of approximately \$130 million.

The merger is subject to a number of conditions precedent including Tassal shareholders approving the issue of new Tassal shares to Webster.

At Completion of the merger:

- Tassal will acquire all of the issued shares in Aquatas from Webster in exchange for the issue of one third of Tassal's issued share capital immediately prior to Completion. Following the issue of these shares to Webster, Webster will own 25% of Tassal's enlarged issued capital.
- Tassal will pay to Webster an amount equal to one-third of the aggregate of Tassal's net debt at Completion and \$1 million. Tassal expects this amount to be approximately \$11 million ("Webster Loan Amount").
- Max Fremder will resign as a Director of Tassal, and Rod Roberts and Greg Hunt, both Directors of Webster, will be appointed to Tassal's Board. Within three months of Completion, David Williams, Tassal's Chairman, will resign as a Director of Tassal.

As a result of the merger Tassal's shares on issue will increase by approximately 27.7m shares to approximately 110.8m. Other than incurring additional debt to pay the Webster Loan Amount, Tassal's debt position will remain unchanged following the merger.

	Telephone	Facsimile		Telephone	Facsimile
Huonville, 191 Glen Road, Huonville 7109	1500 66 4251	1500 88 0259	Huon Marine Ops, Police Point Rd, Sarges Bay 7109	1500 66 2491	1500 88 1479
Sydney, 4 / 418 Leda Business Centre, 30 - 40 Harcourt Pde, Rosebery, 2018	1500 66 4371	1500 88 0379	Tasman Marine Ops, Badgers Cove, Nubeena 7184	1500 66 2671	1500 88 1939
Melbourne, 17828 High St., Kew, Vic., 3101	1500 66 4731	1500 88 1429	Brny Island Ops, Rose Banks, Brny Island 7150	1500 66 2641	1500 88 1659
Mornington, 100 Mornington Road, Mornington 7018	1500 66 0491	1500 88 0179	Macquarie Harbour Ops, C/- Post Office, Strahan 7468	1500 66 3581	1500 88 4509
Dover Processing, Narrows Road, Dover 7117	1500 66 2481	1500 88 1309	Hatchery Operations, Westlyra, Westerway 7140	1500 66 3701	1500 88 4179

Tassal's Board of Directors believes that the combination of Tassal's business with Aquatas will lead to the creation of considerable synergies and unanimously recommend that Tassal non-associated shareholders vote in favour of the transaction.

The acquisition of Aquatas will consolidate Tassal's position as the leading aquaculture business in Australia and the clear market leader in the domestic salmon market. The addition of Aquatas' marine sites and processing facilities to those of Tassal is expected to yield significant benefits to the enlarged business in the form of:

- increased geographic diversification, leading to improved flexibility in farm management and a reduction in the risk of fish loss as a result of disease, natural predators and environmental conditions;
- increased economies of scale, resulting in lower feed, packaging and freight costs; and
- general cost reductions stemming from the rationalisation of the combined processing, management and administrative functions.

A joint committee will be established shortly to identify and produce an implementation framework to maximise synergy gains. Current Tassal management estimates are that an amount of approximately \$8m of synergies will emerge from the merger.

The Notice of Meeting for Tassal shareholders to consider and approve the issue of new Tassal shares to Webster, along with supporting documents, is expected to be dispatched to Tassal shareholders in the week commencing 7 February. It is expected that the general meeting of Tassal non-associated shareholders will be held by mid-March and Completion will occur shortly thereafter.

Further queries:

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Mark Ryan, Chief Executive Officer 0414 729 101