



Tassal Operations Pty Ltd
ACN 106 324 127
ABN 58 106 324 127

All Correspondence to
GPO Box 1645
Hobart Tasmania Australia 7001

E-Mail: tassal@tassal.com.au
Web Site: www.tassal.com.au

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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:

David Williams, Chairman 0414 383 593

Mark Ryan, Chief Executive Officer 0414 729 101