

6th October 2008

The Manager, Listings
Australian Securities Exchange
Company Announcements Office
Level 4,
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Via e-lodgement

Dear Sir

Tassal Group Limited (TGR): Market Release
Salmon Industry Proactively Managing Potential Impacts of
Climate Change

A CSIRO report released today refers to the potential impacts of climate change (of an ocean warming of 2 – 3 degrees by 2070) on salmon farming in Tasmania.

Commenting on the report, Tassal Group's Managing Director and Chief Executive Officer, Mark Ryan said, *"the Tasmanian Salmon industry and Tassal in particular regard climate change and sustainable salmon farming as essential considerations in the way we operate now and the way we will be operating in the long term.*

The industry has not been sitting back on this issue and has recently undertaken a scoping study into industry adaption to the potential impacts of climate change conducted under the Australian Government's National Agriculture & Climate Change Action Plan: Implementation Programme".

The objectives of the study were to:

- *Identify and review key climate change information needs as they relate to the Tasmanian salmonid aquaculture industry;*
- *Scope the likely impacts of climate change as they relate to the Tasmanian salmonid aquaculture industry; and*
- *Scope possible solutions for adaptation and identify viable industry development opportunities.*

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The report is currently in draft form and focuses on many of the key initiatives, such as selective breeding research programs, already underway to proactively address the potential consequences of climate change on the salmon industry.

Tassal is at the forefront in these areas and is a key contributor to the industry's current and significant investment program in selective breeding research targeting increased fish tolerance to higher water temperatures.

These types of programs are integral to the Company's climate change strategies and are expected to significantly enhance the maintenance of excellent growth rates and fish wellbeing currently being achieved.

Whilst SE Australia may experience the greatest changes in seawater temperature, the report on adaptation by the Tasmanian salmonid farming industry clearly shows that this industry has considerable potential for adaptation via selective breeding, modifying farming technology and practices, and diversification into alternative species.

Tassal already operates on a geographically diversified basis from multiple deep water marine based sites which exhibit excellent water flow. We farm at some of the lowest stocking densities in the world – all these are integral components of our climate change strategies." Mr Ryan said.

Further, "Tassal is already in dialogue with the relevant regulators concerning off-shore farming and has always viewed such a move as an adjunct to our existing operational practices – irrespective of potential climate change impacts. Climate change is just another of the operational risks we face and which the industry will learn to manage.

Tassal firmly maintains that the initiatives already underway way demonstrate our commitment to proactively addressing any potential impacts of climate change on our operations" Mr Ryan said.

Please release this information to the market.

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