



22 February 2017

Australian Securities Exchange
ASX Market Announcements
Level 4,
Exchange Centre
20 Bridge Street
Sydney NSW 2000

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Via e-lodgement

Dear Sir,

Macquarie Harbour

Due to unexpectedly adverse climatic conditions over the last few years, including the record water temperatures of the 2015/16 summer, Tassal has been concerned about conditions in Macquarie Harbour. We voluntarily reduced our stocking rates there by 20% as early as 2015. To ensure that environmental balance is restored, we agree that recent regulatory adjustments to address the situation are necessary.

Tassal has taken the decision to join the proceedings that Huon Aquaculture instituted against the industry regulators earlier this month seeking, amongst other things, that the Regulators' determination for the biomass limit and allocations in Macquarie Harbour, be declared invalid. Tassal has taken this decision, in order to protect its interests, as an operator in Macquarie Harbour, in each of the proceedings.

To provide some context, Tassal normally puts between 8 to 8.5 million Smolt to sea per annum across all its operations. With respect to Macquarie Harbour, Tassal has traditionally put around 2 million Smolt to sea. Our view is that, moving forward, we may halve the input of Tassal Smolt into the Harbour to, approximately 1 million to ensure its sustainability.

Tassal will continue to engage with stakeholders to manage the Macquarie Harbour waterway and our leases within it. Across our operating areas, we have effective risk mitigation strategies in place that will support our continued growth in a sustainable way. Given Tassal's spread of operations, we can sustainably scale up in our other current lease areas, as well as activating unutilised areas, to compensate for the reduction in Macquarie Harbour.

Yours sincerely

Monika Maedler
Company Secretary

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