



THE WORLD'S MOST LOVED SALMON

14 June 2017

HUON AQUACULTURE GROUP LIMITED (ASX: HUO)

Announcement

Huon to amend court proceedings against Tassal

Huon Aquaculture Group Limited (Huon or the Company) today advises that it has sought leave from the Federal Court to amend proceedings seeking a declaration that Tassal Group Limited (TGR) is in breach of the biomass determination in Macquarie Harbour.

The amendments to the proceedings are necessary after Huon announced it had commenced Federal Court proceedings at midday on 6 June, 2017 and subsequently Tassal's biomass determination was re-issued by the Director of the Tasmanian Environmental Protection Agency (EPA) later the same day.

Tassal's re-issued determination now includes a biomass allocation of 1,560 tonnes for its lease 266 which is not currently approved for stocking due to a direction by the EPA to allow it to recover from the past effects of farming. The re-issued determination took Tassal's total biomass from 2,067 tonnes (or 13 tonnes/ha) to around 3,627 tonnes to be farmed across Tassal's remaining farmable leases 214 and 219 (at 22 tonnes/ha) in Macquarie Harbour.

At the same time Tassal's determination was re-issued, the EPA also announced that it had approved a "waste capture trial" that granted Tassal a further biomass allocation which equates to a further 4,200 tonnes taking Tassal's total allowable biomass to around 7,840 tonnes.

This equates to a potential stocking density of 49 tonnes/ha.

Both Huon and Petuna are required to farm their leases in Macquarie Harbour to a stocking density of 13 tonnes/ha.

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Huon will continue seeking a declaration that Tassal Group Limited (TGR) is in breach of the Macquarie Harbour biomass determination following the re-issue of the determination and waste capture trial whilst also seeking to join the EPA Director to the proceedings.

Huon is seeking the courts approval to amend proceedings based on the assertion that the EPA Director's "approval to trial" waste capture technology does not constitute "an approved waste capture system" and that such an approval is beyond the power of the EPA Director. In addition, allocating Tassal 28 tonnes/ha on the basis of the implementation of an "approved waste capture system" lacks an evident and intelligible justification.

Finally, Huon will also challenge the inclusion of lease 266 for the purpose of Tassal's biomass allocation for the same reason – the decision to include lease 266 lacks an evident and intelligible justification.

If Huon succeeds in the proceedings and the parts of Tassal's biomass determination that Huon asserts are invalid, are held to be of no effect, or if the "approval to trial" is held to be of no effect, Tassal will retain a biomass of 13 tonnes/ha and based on the estimates that Tassal has provided of its biomass, it will be in breach of the biomass determination.

Huon will be asking the Court for leave to amend at the case management conference on Thursday 22 June 2017.

As noted in Huon's ASX release of 6 June, a court order won't force Tassal to comply however Huon has commenced (and is seeking to amend) the proceedings to protect the reputation of the industry and the long term sustainability of Macquarie Harbour including the jobs it supports.

Today's action and recent proceedings follow on from Huon's action lodged in the Federal Court in February of this year seeking compliance and enforcement of the Federal Minister's Decision of 2012 that permitted the expansion of salmon farming in Macquarie Harbour.

Huon does not believe that the proceedings will have a material impact on the Company's FY2017 financial results.

ENDS

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