



20 June 2017

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

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### **Via e-lodgement**

### **Tassal reinforces the facts to market**

Tassal Group Limited (ASX: TGR) provides the following update to the market to reinforce vital information to analysts and investors regarding facts relating to Tassal's sustainability practices, its Macquarie Harbour leases, and long term approach to growing Salmon in Tasmania. Tassal remains concerned about the continuing inaccurate information being supplied to the public and market from Huon Aquaculture.

Tassal is strongly positioned for sustainable growth and has an excellent track record of environmental compliance and is committed to responsibly managing its salmon farms at Macquarie Harbour, supported by scientific expertise and research.

Huon Aquaculture has issued proceedings against state and federal regulators for various matters in relation to Macquarie Harbour – Tassal has joined these proceedings on the side of the regulators, as has Petuna Aquaculture. Tassal considers all these proceedings to be misconceived. Tassal will vigorously defend the legal proceedings instigated by Huon Aquaculture.

Tassal will also ensure the following public facts remain clear:

#### **The Facts:**

- 1) Tassal has excellent environment credentials and compliance across its operations, as independently assessed by both WWF-Australia and the Aquaculture Stewardship Council (ASC)
- 2) Tassal was the first Salmon producer globally to achieve ASC accreditation across its entire business
- 3) Tassal is not in breach of any Environmental Protection Agency (EPA) biomass determination for Macquarie Harbour
- 4) The EPA is in possession of Tassal's current and forecast production and biomass numbers, together with all its current compliance analysis and data for its leases
- 5) Tassal's May survey shows recovery of all previous out-of-lease non-compliances in Macquarie Harbour
- 6) Tassal has received EPA approval to trial a waste capture system to continue to improve environmental conditions in Macquarie Harbour
- 7) Any Salmon grower in Macquarie Harbour can stock up to 28 tonnes of fish per hectare if it is using an EPA approved waste capture system. When Tassal stocked its 2016-year class fish the tonnage allowed was 33.58 tonnes of fish per hectare
- 8) At all times, the public and Huon Aquaculture has been aware that Tassal's Franklin lease 266 was included in the biomass calculation for the 2016-year class fish in Macquarie Harbour
- 9) Huon Aquaculture has previously worked proactively with the state regulator in relation to the exceedance of its nitrogen allocation for leases in the South-East of Tasmania. Despite the significant exceedance of its nitrogen allocation input by 42%, Huon Aquaculture continued to grow and adaptively manage this stock

Maintaining ASC certification is a priority for Tassal and all its employees. It is very difficult to obtain and maintain ASC certification. As evidence of the robustness of the Tasmanian salmon industry's regulations

and practices, the Tasmanian industry has the only two salmon producers - globally – Tassal and Petuna Aquaculture - with ASC certification across their entire business for harvest fish. We note that Huon Aquaculture has two of its leases certified to ASC. Should Huon Aquaculture attain ASC accreditation across all its leases, it would be a wonderful endorsement for the Tasmanian salmon industry.

### **Tassal is committed to sustainable Salmon farming in Macquarie Harbour**

On 5 May 2017, the Tasmanian EPA announced its decision to allow Tassal to balance the grow out of its 2016-year class fish in Macquarie Harbour to a harvestable size, while deploying EPA approved waste capture technology.

To ensure the success of the waste capture technology the first part of the approval process was a trial. Tassal has extensive experience with waste capture, with the Company's hatcheries dealing with capture and disposal technologies daily.

### **Tassal's long term Strategic plan and risk mitigation focus supports continued growth**

Tassal's approach to sustainability encompasses a balance of environmental, financial, operational and societal value principles and practices.

We own our environmental outcomes. We continue to drive adaptive management and practices through science and innovation.

Tassal's successful selective breeding program has underpinned a reduction in bathing and an increase in fish size. As a result, the cost of growing differential between the South-East region and Macquarie Harbour has narrowed, and in line with Tassal's strategic plan is expected to be relatively similar.

Tassal's geographic diversification allows a proactive risk mitigation focus and is a key differentiator to other Salmon producers in Tasmania. This allows the Company to adaptively manage and grow the same amount of fish, and achieve the same biomass growth over the Strategic Plan period to 2025, despite the reduction of fish for the 2017-year class to be input into Macquarie Harbour.

Tassal's Strategic Plan 2025, developed over 12 months ago, specifically acknowledges a reduction in Macquarie Harbour's percentage of total biomass produced for the Company as other new leases came on-stream outside Macquarie Harbour and existing leases performed more optimally. We acknowledge this reduction for the 2017-year class into Macquarie Harbour is more than anticipated in our planning process, but continual updates to the Strategic Plan and its outcomes have both historically and now forecast to allow Tassal to maintain its growth and financial outcomes.

In the near-term, Tassal expects favourable pricing and sales mix to absorb the additional growing costs in Macquarie Harbour, the shift to a greater percentage of growing in the South-East earlier, and the early implementation of two new leases.

Considering Tassal's ability to flex its growing operations to absorb the fish reductions for 2017 year class in Macquarie Harbour, the Company expects fish biomass growth to continue in line with market expectations. In the short term, top and bottom line growth are forecast to move in synch, with sales price, sales mix and operational efficiencies covering additional costs. Margins (\$/kg) are expected to subsequently improve over the Strategic Plan period.

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### **Media / analyst queries:**

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### **About Tassal**

Tassal Group Limited (ASX: TGR) is a vertically integrated Salmon grower and Salmon and Seafood processor, seller and marketer. The Company produces and sells premium Salmon and Seafood products for both the Australian domestic and export markets. Tassal grows delicious, fresh and healthy Atlantic Salmon in Tasmania's fresh waters and through its De Costi Seafood business sources and processes a wide range of Seafood. Tassal is committed to taking a leadership role in sustainability in aquaculture and

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Seafood sourcing. The company employs over 1,200 people. Visit [www.tassal.com.au](http://www.tassal.com.au) for more information.

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