

Investor Forum 2000

Terry Byrne

Seafood Online

www.seafoodol.com.au



The **BEST** option to ensure the survival of
Coral Trout on the Great Barrier Reef is

FISH FARMING.

Seafood Online own a premium fish farming property north of Bowen which has direct access to high quality seawater. The aim of the company is to produce LIVE Coral Trout and Barramundi Cod for the lucrative Hong Kong and China markets.

Seafood
Online

“Our vision is to develop Seafood Online into a world class company, leading the field in environmentally sustainable tropical aquaculture farming which will reward shareholders with above average returns and capital growth.”

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KEY PROFIT DRIVERS.

- **Existing profitable market in Hong Kong and China.**
- **Declining Wild Stocks of both Coral Trout and Barramundi Cod.**
- **Technology break through to enable Seafood Online to grow both Coral Trout and Barramundi Cod.**
- **Aquaculture infrastructure of a planned scale to enable reef fish to be produced in an ecologically sustainable way, at a low cost per kilogram, and in sufficient quantities to supply an influential part of the large demand.**
- **Seafood Online have the management, resources and focus to be an out performing company in an industry itself experiencing rapid growth and success.**

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KEY PROFIT DRIVERS.

SIZE OF THE LIVE FISH TRADE AND QUANTITY SEAFOOD ONLINE WILL SUPPLY.

Hong Kong Market	1997	32,000 tonnes of live fish and expanding.
East Asian Regional Market		54,000 tonnes of live fish and expanding.
SEAFOOD ONLINE	2001	490 tonnes and expanding.

THE PRICES FOR LIVE REEF FISH.

- Coral Trout wholesales for about A\$45 and up to A\$82 per kg in peak season in Hong Kong.
- Coral Trout retails around A\$170 per kg and Barramundi Cod retails at about A\$240.
- Our E commerce strategy is aimed at capturing more of the projected “farm gate” price of A\$25 by establishing daily interactive relationship with consumers.

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KEY PROFIT DRIVERS.

COMPETITIVE ADVANTAGES IN THE MARKET PLACE.

- **Continuity of supply all year round.**
- **“Clean & Green” Product of Australia.**
- **Farmed fish will be free of the risk of ciguatera poisoning.**
- **Eco aware customers will prefer farmed to “cyanide” fish.**
- **Direct supply from the farm to the customer using E commerce.**

PROJECTED RESULTS FY2000 FY2001

Revenue	-	\$16,253,000
EBITDA	-	\$11,416,000
Earnings after Tax	-	\$8,733,000

PRICE EARNINGS RATIO OF 7.3

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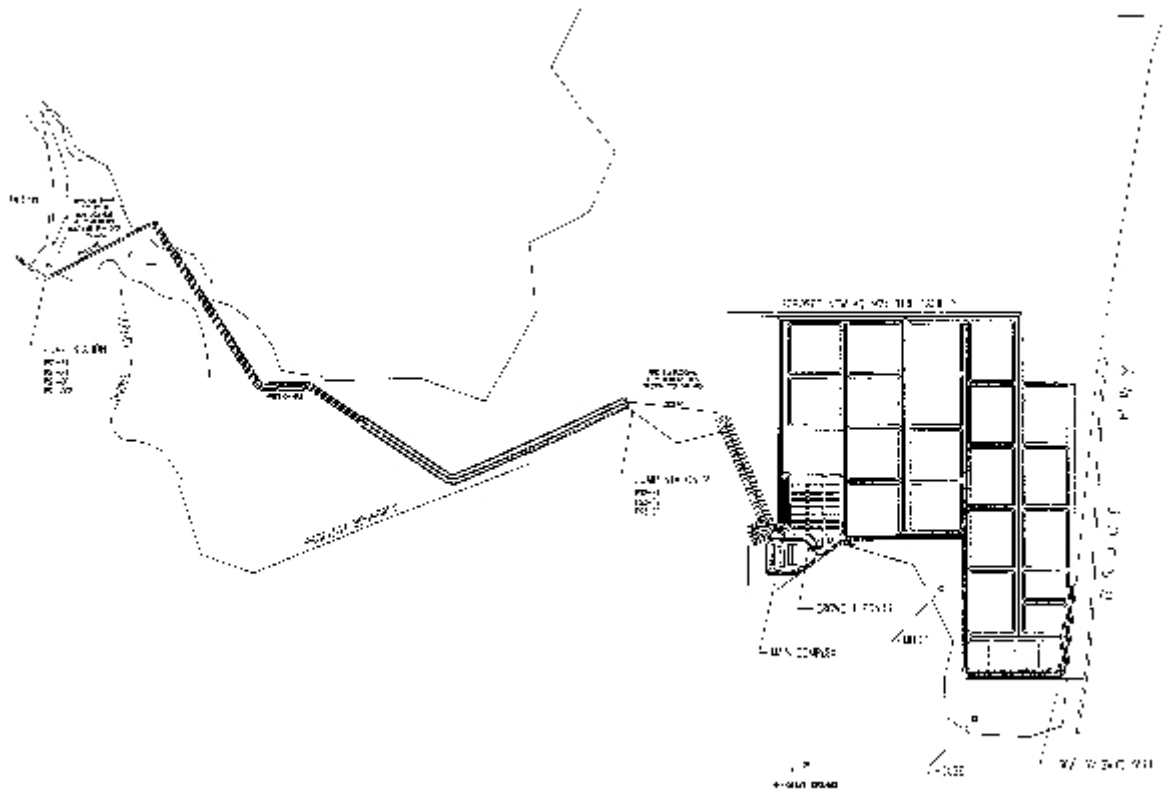
CHANGES TO THE COMPANY/INDUSTRY'S OPERATING ENVIRONMENT.

- ***GBRMPA has imposed new regulations, courtesy of Senator Hill. Seafood Online intends to be a leader and innovator in environmental issues in reef fish aquaculture - so we do not anticipate any problems with the new legislation.***
- ***The legislation makes it harder for any competitors who do not have the infrastructure to meet the requirements.***
- ***18 licences or permits were required before the farm could start. Seafood Online have spent 5 years working hard to obtain all these approvals.***
 - ***The time factor to acquire land and the approvals is a major barrier to entry to this industry.***

***CHANGES TO THE COMPANY/INDUSTRY'S
OPERATING ENVIRONMENT.***

- **Continued research of the market in Hong Kong has shown that it has the ability to absorb more fish than originally conceived - this has accelerated expansion plans.**
- **Currently Seafood Online only utilise 3% of the land area available. There will be 24 grow out ponds in Stage 1 - provision for 36 more is being included in current work. There is also available land for further expansion.**
- **The company is investigating the feasibility of listing on the Hong Kong Stock Exchange to take maximum advantage of the offshore market opportunities.**
- **The growth of E commerce is adding significant opportunities for an increase in revenue.**

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