AAQ Holdings Limited

(Subject to Deed of Company Arrangement)

ACN 098 236 938

PROSPECTUS

For the offer of:

1. 200,000,000 Shares at an issue price of $0.01 per Share to raise $2,000,000 (**Public Offer**); and
2. 75,000,000 Shares at an issue price of $0.01 per Share to raise $750,000 (**Priority Offer**), (together the **Offers**).

THE OFFERS ARE UNDERWRITTEN UP TO $2,000,000. REFER TO SECTION 4.6 OF THIS PROSPECTUS FOR DETAILS OF THE UNDERWRITING AGREEMENT.

THE OFFERS ARE SUBJECT TO CONDITIONS

The Offers are conditional upon Shareholder approval being obtained at the Annual General Meeting scheduled to be held on 29 November 2010 for the issue of the Shares the subject of this Prospectus and satisfaction or waiver of all of the conditions precedent of the Recapitalisation Deed. Please refer to **Section 2** of this Prospectus for further details.

IMPORTANT NOTICE

This is an important document and investors should read the document in its entirety and are advised to consult with their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

Any investment in the Company under this Prospectus should be considered speculative in nature and prospective investors should be aware that they may lose some or all of their investment.

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IMPORTANT INFORMATION

This Prospectus is dated 12 November 2010 and was lodged with ASIC on that date. ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offers must do so using the relevant Application Forms attached to or accompanying this Prospectus. Before deciding to invest in the Company, potential investors should carefully read the entire Prospectus and, in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance of the Company. Investors should carefully consider these factors in light of their own personal circumstances (including financial and taxation issues).

Administrator – No Responsibility for Contents of this Prospectus

The Administrator has not been involved in the preparation of this Prospectus and has taken no part in the preparation of any documents and expresses no opinion regarding the Recapitalisation Proposal. To the maximum extent permitted by law, no representation, warranty or undertaking, express or implied, is made and, to the maximum extent permitted by law, no responsibility or liability is accepted by the Administrator as to the adequacy, accuracy, completeness or reasonableness of this Prospectus. To the maximum extent permitted by law, no responsibility for any errors or omissions from this Prospectus whether arising out of negligence or otherwise is accepted.

Refer to **Section 6** of this Prospectus for details relating to risk factors. Investors should seek professional advice from an accountant, stockbroker, lawyer or other professional advisor before deciding to invest in the Company.

Any investment in the Company under this Prospectus should be considered speculative in nature and prospective investors should be aware that they may lose some or all of their investment. Applicants should read this document in its entirety.

No person is authorised to give any information or to make any representation in relation to the Offers described in this Prospectus that is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offers.

The Offers for Shares made pursuant to this Prospectus are not made to persons to which, or in places in which, it would not be lawful to make such an offer of securities. No action has been taken to register the Offers or otherwise permit the Offers to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

This Prospectus will also be issued as an electronic prospectus. A copy of this Prospectus can be downloaded from the website of the Company at www.aaqholdings.com.au. Any person accessing the electronic version of this Prospectus for the purposes of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Forms in connection with the Offers unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in **Section 9** of this Prospectus.

Exposure Period

In accordance with Chapter 6D of the Corporations Act, this Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds, which examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until the expiry of the Exposure Period. No preference will be conferred upon Applications received in the Exposure Period.

RISKS

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the performance of the Company are detailed in **Section 6** of this Prospectus and investors are urged to consider those risks carefully (and, if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, Applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice. Investors may lose some or all of the investment.

Prospective investors in the Company should be aware that subscribing for Shares the subject of this Prospectus involves a number of specific and general risks, including (but not limited to):

Risk Area	Risks	Further Details
Financial Reporting and AGM Requirements	The Company's failure to lodge its financial reports for the financial reporting periods ended 31 December 2008, 30 June 2009 and 31 December 2009 by the requisite ASIC deadline and its failure to hold an Annual General Meeting for the 2009 financial year may attract liability under the Corporations Act and/ or affect the Company's operations going forward.	Section 6.1
No Profit to Date and Uncertainty of Future Profitability	Having been in Administration, it is not possible to evaluate the Company's future prospects based on its past performance. The extent of future profits, if any, and the time required to achieve sustainable profitability, is uncertain.	Section 6.2
Limited Trading History of SEAS Business	The newly acquired SEAS business is at the early development/start-up stage and has had a limited trading history. As a consequence, the Company cannot guarantee that it will be able to develop and commercialise the SEAS business into a successful aquaculture enterprise in the near to long term, or at all.	Section 6.3
Development and Utilisation of the Existing Licensed Technology	A failure to successfully develop and utilise the Licensed Technology could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position.	Section 6.4
Listing of Shares on the ASX	The Company's Shares are currently suspended from trading on ASX. Provided the conditions of the Offers are satisfied (see Section 2), the Company will seek to have its existing Shares released from suspension and all new Shares	Section 6.5

Risk Area	Risks	Further Details
	quoted on the Official List. There is, however, no guarantee that ASX will permit the reinstatement of the exisitng Shares and quotation of the new Shares on the ASX.	
Conditional Offers	The Offers under this Prospectus are subject to the satisfaction of several conditions, as outlined in Section 2. If these conditions, and any others the subject of this Prospectus are not satisfied, the Company will not be permitted to allot and issue the Shares pursuant to the Offers.	Section 6.6
Production Risks	Apart from the inherent risks associated with rearing and cultivation of salmonid fish stocks from the early hatchery stage to the final supply and export stage, the Company cannot guarantee that disease, infection, adverse weather conditions, maintenance or repair, or any operational interruptions will not affect production optimization. Such events could detrimentally impact on the financial performance of the Company's SEAS business.	Section 6.7
Sector Risks	The Company is exposed to a number of business risks which could include higher than anticipated operating costs, an increase in competition or loss or damage to the Company's assets, which may have a material adverse effect on the business and financial position of the Company.	Section 6.8
Future Capital Needs	Further funding of projects and potential acquisitions may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance.	Section 6.20

CORPORATE DIRECTORY

DIRECTORS
Mr. Guy Le Page (Executive Chairman)
Mr. Nikolce Jovanovski (Non - Executive Director)
Mr. Keong Chan (Non - Executive Director)

COMPANY SECRETARY
Mr. Keong Chan

REGISTERED OFFICE
C/-WHK Horwath
GPO Box P1213
PERTH WA AUSTRALIA 6000
Telephone: (08) 9481 1448
Facsimile: (08) 9481 0152

SHARE REGISTRY
Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth, WA. 6000.
Telephone: 08 9323 2000
Facsimile: 08 9323 2033

SOLICITORS
Steinepreis Paganin
Level 4, The Read Buildings,
16 Milligan Street,
Perth WA 6000 Australia

INVESTIGATING ACCOUNTANT
Bentleys Audit & Corporate (WA) Pty Ltd
Level 1, 12 Kings Park Road
West Perth, WA. 6055

UNDERWRITER
RM Corporate Finance Pty Ltd
1175 Hay Street
West Perth WA 6005
Telephone: (08) 9321 3277
Facsimile: (08) 9321 8399

LETTER FROM THE CHAIRMAN

12 November 2010

Dear Investor,

INVESTMENT IN THE COMPANY

On behalf of the Directors of AAQ Holdings Limited (Subject to Deed of Company Arrangement) (**Company**), I am pleased to present this Prospectus to you.

At the Annual General Meeting of the Company scheduled to be held on 29 November 2010, Shareholders will consider various resolutions to give effect to the Recapitalisation Proposal, as set out in **Section 3.2**. The Recapitalisation Proposal will, amongst other things, restructure the Company's issued capital, terminate the current Deed of Company Arrangement and provide new working capital and a new direction for the Company.

This Prospectus seeks to raise up to a maximum of $2.75 million with a minimum raising of $2 million and includes (as part of the offer) a Priority Offer to the top 20 Shareholders in order to raise up to $750,000, with the balance of Shares being offered to the general public.

The funds raised will be used to pay various costs and payments associated with the Recapitalisation Proposal, to provide working capital to further develop the Company's core business of trialling the "Fluidized Bed Reactor and Distribution System" (US Patent Number 5,330,652) and "Method and Apparatus for Aquaculture and for Water Treatment related thereto" (US Patent Number 6,117,313) and the development of the newly acquired SEAS aquaculture business.

Further information regarding the Company's business and the Recapitalisation Proposal is contained in **Section 3** of this Prospectus.

Details about some of the risks of an investment of this type are contained in detail at **Section 6** of this Prospectus. Investors should obtain professional investment advice before deciding to invest. Please read this document carefully before making your investment decision.

It is recommended that you consider the terms of the Offers contained in this Prospectus. In doing so if you then choose to invest in the Company I welcome you as a security holder of the Company.

Yours faithfully

Guy Le Page

Mr Guy Le Page
Executive Chairman

KEY DATES AND CAPITAL STRUCTURE

The dates shown in the table below are indicative only and may vary. The Company reserves the right to vary the Opening Date of the Public and Priority Offers and the Closing Date of the Public and Priority Offers without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Forms as soon as possible after the Offers open. The Company also reserves the right not to continue with the Offers at any time before the allotment of Shares to successful Applicants.

Indicative Timetable	
Lodgment of Prospectus	12 November 2010
General Meeting approving the Recapitalisation Proposal	29 November 2010
Opening Date of Public and Priority Offers	19 November 2010
Closing Date of Priority Offer	3 December 2010
Closing Date of Public Offer	10 December 2010
Dispatch of Statements of Shareholding*	17 December 2010

*The allotment of Shares and dispatch of holdings statements will occur as soon as practicable after the Prospectus closes. See **Section 1.9** for details.

Capital Structure	Minimum Subscription	Maximum Subscription
Shares		
Number of existing Shares on issue	18,031,390	18,031,390
Shares to be issued to the Proponent (or its nominees)	100,000,000	100,000,000
Shares to be issued pursuant to this Prospectus	200,000,000	275,000,000
Shares to be issued to the Trust Fund	10,000,000	10,000,000
Shares to be issued to the Vendors	15,000,000	15,000,000
Total Shares on issue on Completion of the Offers	**343,031,390**	**418,031,390**
Options		
Number of existing Options on issue	632,200[1]	632,200[1]
Number of Options offered pursuant to the Offers	Nil	Nil
Total Options on Issue on Completion of the Offers	**632,200**	**632,200**

[1] Consisting of 161,000 employee options exercisable at $3.00 each on or before 20 April 2012, 51,200 options exercisable at $2.50 each on or before 20 April 2012 and 420,000 options exercisable at $2.50 each on or before 15 October 2012 (on a post-consolidation basis).

SECTION 1 DETAILS OF THE OFFERS

1.1 THE OFFERS

The Offers are being made to give effect to the Recapitalisation Proposal.

The Offers are:

1. Up to 200,000,000 Shares at an issue price of $0.01 per Share to raise $2,000,000 (before expenses) (**Public Offer**).

   If you wish to subscribe for Shares under the Public Offer, please complete the **PUBLIC OFFER APPLICATION FORM.**

2. Up to 75,000,000 Shares at an issue price of $0.01 per Share to raise $750,000 (before expenses) (**Priority Offer**).

   If you have been advised by the Company that you are eligible to partipate in the Priority Offer and you wish to subscribe for Shares under the Priority Offer, please complete the **PRIORITY OFFER APPLICATION FORM.**

The Shares to be issued pursuant to this Prospectus are of the same class and will rank equally in all respects with the existing Shares in the Company. The rights attaching to the Shares are further described in **Section 7.2** of this Prospectus.

The Company is seeking shareholder approval to consolidate its existing securities on a 1 for 5 basis at its Annual General Meeting to be held on 29 November 2010. All of the Company's existing securities on issue as stated in this Prospectus are given on a post-consolidation basis. The rights attaching to the Company's existing Shares, and those offered pursuant to this Prospectus, will not change after the consolidation.

Applications made pursuant to the Offers must be for a minimum of 200,000 Shares and thereafter in multiples of 100,000, and can only be made by completing the relevant Application Form attached to or accompanying this Prospectus. No brokerage, stamp duty or other costs are payable by applicants in respect of an Application for Shares under this Prospectus.

The Directors reserve the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for.

A maximum total of 275,000,000 Shares will be issued under the Offers. Applications for Shares must be made on the relevant Application Form contained in **Section 10** of this Prospectus and received by the Company on or before the Closing Date.

1.2 CONDITIONAL OFFER

The Offers under this Prospectus are conditional upon:

(a) the Company obtaining Shareholder approval at the General Meeting for the resolutions set out at **Section 2.2** of this Prospectus; and

(b) all of the conditions precedent of the Recapitalisation Deed being satisfied or waived as summarised in **Section 4.2** of this Prospectus.

A detailed description of these conditions is set out in **Section 2** of this Prospectus.

If all of the conditions to the Offers are not satisfied within three (3) months after the date of this Prospectus, no Shares will be issued. Application Monies will be refunded in full without interest in accordance with the Corporations Act.

The Offers

If you wish to participate in either of the Offers, being the Public Offer and/or the Priority Offer, you should complete the relevant Application Form set out in Section 10 of this Prospectus. Please note, Applicants that are eligible to participate in the Priority Offer are those Applicants that have been separately advised by the Company that they are eligible to participate in the Priority Offer prior to the date of this Prospectus. If you have not been advised by the Company that you are eligible to participate in the Priority Offer, then you will only be permitted to participate in the Public Offer.

Applicants under the Offers may apply for a minimum parcel of 200,000 Shares representing a minimum investment of $2,000. Applicants seeking additional Shares must apply for Shares in multiples of 100,000 equivalent to $1,000 under the Offers thereafter. All Applications must be completed in accordance with the detailed instructions on how they are to be completed and be accompanied by a cheque or bank cheque drawn and payable on an Australian bank and must be made payable to "**AAQ Holdings Limited – Subscription Account**" (**Subscription Account**) and should be crossed "Not Negotiable". No brokerage or stamp duty is payable. Completed Application Forms and accompanying cheques must be received by the Company before 5.00pm WST on the Closing Date* by either being delivered to or mailed to the following address:

Delivered to: AAQ Holdings Limited C/- RM Capital 1175 Hay Street, West Perth, WA, 6005	**Posted to:** AAQ Holdings Limited C/- RM Capital P.O. Box 154 West Perth, WA, 6872

All Application Monies received with duly completed Application Forms will be paid into the Subscription Account in accordance with the requirements set out in **Section 1.10** of this Prospectus.

The Company must, subject to the conditions set out in **Section 2** being met and the requirements set out in **Section 1.9** of this Prospectus, deal with the Application Monies held in the Subscription Account in accordance with the following instructions of the Directors:

- transfer all of the Application Monies received under this Prospectus and held in the Subscription Account to the Company; and
- allot and issue the Shares offered under this Prospectus.

Immediately following the above occurring and subject to the termination of the DOCA, the Company will pay (from the Application Monies received under this Prospectus) to the Administrator and the Trust, the amounts specified in the Recapitalisation Deed and the DOCA, as set out in **Sections 4.2** and **4.3** of this Prospectus.

Following termination of the DOCA and the payment of the amounts referred to above, the Company and the Directors will deal with the balance of the Application Monies received in the manner otherwise set out in this Prospectus.

An original, completed and lodged Application Form together with a cheque for the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in each Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe, amend or complete the Application Form is final, however, an applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

***Applicants are encouraged to lodge their Application Forms as soon as possible, as the Offers may close early without notice.**

1.3 MINIMUM SUBSCRIPTION

The minimum level of subscription pursuant to the Offers is $2,000,000.

No Shares under the Offers will be allotted or issued by the Company until the Minimum Subscription has been achieved. If the Minimum Subscription has not been reached within three (3) months from the date of this Prospectus, all Applications and Application Monies will be dealt with in accordance with the requirements of the Corporations Act. The Minimum Subscription must be raised before the quotation of the securities on the ASX can occur.

No oversubscriptions will be accepted.

1.4 OFFERS ARE UNDERWRITTEN UP TO THE FULL AMOUNT OF THE MINIMUM SUBSCRIPTION

The Offers will be underwritten up to the full amount of the Minimum Subscription (being $2,000,000) by RM Corporate Finance Pty Ltd (**RM Corporate Finance**). Mr Guy Le Page, a director of the Company, is a director and controller of RM Corporate Finance.

1.5 BROKERAGE

The Company reserves the right to pay a fee of up to 6% of the value of the Shares to AFSL license holders in respect of Shares placed to their clients.

1.6 PURPOSE OF THE OFFER

The principal purpose of the Offers is to:

- facilitate the Company's reinstatement on ASX, including the re-quotation of the Company's existing Shares and the new Shares;
- pay the costs of the Recapitalisation Proposal and continue the Company's existing activities in the development of its existing intellectual property technology and the SEAS aquaculture business within Australia; and
- provide capital to commence investigation of new investment opportunities.

Please refer to **Section 3** for additional details.

1.7 PROPOSED APPLICATION OF FUNDS RAISED

The Company proposes to raise a maximum of $2.75 million pursuant to this Prospectus. The Company intends to apply the funds raised from the Offers as follows:

Application of Funds	Minimum Subscription	Maximum Subscription
Expenses of the Offers and Recapitalisation Proposal (refer **Section 7.10**)	$290,000	$335,000
Payment to the Deed Administrator to satisfy obligations under the DOCA and Recapitalisation Deed (refer **Sections 4.2** and **4.3**)	$402,500	$402,500
Payment to Vendors (refer **Section 4.4**)	$250,000	$250,000
Expenditure Budget (refer **Section 3.3**)	$410,000	$410,000
Additional Working Capital	$647,500	$1,352,500
Funds Raised by the Prospectus	**$2,000,000**	**$2,750,000**

If the Company raises between the minimum subscription ($2,000,000) and the full subscription ($2,750,000) under the Offers, the amount raised in excess of the minimum subscription (after expenses) is intended to be applied by way of priority to expenses of the offer, followed by additional working capital.

The Directors are satisfied that upon completion of the Offers, the Company will have sufficient working capital to meet its stated objectives.

Following the Minimum Subscription being raised, the Company receiving final approval for reinstatement to ASX, re-quotation of the existing Shares and quotation of the new Shares on ASX, and the funds being paid into the Trust Fund – the DOCA shall terminate and the Administrator shall retire in accordance with the terms of the DOCA and Recapitalisation Deed, which are summarised in **Sections 4.2** and **4.3**.

1.8 CAPITAL STRUCTURE

Set out in the table below is a summary of the capital structure of the Company before and after completion of the Offers.

Capital Structure	Minimum Subscription	Maximum Subscription
Shares		
Number of existing Shares on issue	18,031,390	18,031,390
Shares issued to the Proponent (or its nominees)	100,000,000	100,000,000
Shares issued pursuant to this Prospectus	200,000,000	275,000,000
Shares issued to Trust Fund	10,000,000	10,000,000
Shares issued to Vendors	15,000,000	15,000,000
Total Shares on issue on Completion of the Offers	**343,031,390**	**418,031,390**
Options		
Number of existing Options on issue	632,200[1]	632,200[1]
Number of Options offered pursuant to the Offers	Nil	Nil
Total Options on issue on Completion of the Offers	**632,200**	**632,200**

[1] Consisting of 161,000 employee options exercisable at $3.00 each on or before 20 April 2012, 51,200 options exercisable at $2.50 each on or before 20 April 2012 and 420,000 options exercisable at $2.50 each on or before 15 October 2012 (on a post-consolidaition basis).

1.9 ALLOCATION AND ALLOTMENT OF SHARES

The Directors reserve the right to reject any Application or to allot a lesser number of Shares than that applied for pursuant to the Offers. If the number of Shares allocated is less than that applied for, or no allotment is made, the Application Monies or the surplus Application Monies will be promptly refunded without interest.

Subject to ASX agreeing to reinstate the Company to ASX, re-quotation of the Company's existing Shares on the Official List and granting approval for quotation of the new Shares, the allotment of Shares will occur as soon as practicable after the Closing Date. All Shares issued pursuant to the Offers will rank equally in all respects with the existing Shares of the Company following the proposed Consolidation. Statements of shareholding will be dispatched as soon as possible after the Closing Date as required by

ASX.

1.10 APPLICATION MONIES TO BE HELD IN TRUST

The Application Monies for Shares to be issued pursuant to the Offers will be held in the Subscription Account on behalf of Applicants until the Shares are allotted. If the Offers is not fully subscribed within a period of three (3) months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and no Shares will be allotted pursuant to this Prospectus. All interest earned on Application Monies (including those which do not result in allotment of Shares) will be retained by the Company.

1.11 ASX QUOTATATION AND REINSTATEMENT

The Company's Shares were suspended from trading on the ASX on 12 January 2009. The Offers are conditional on the Company applying to the ASX to have the Shares issued pursuant to this Prospectus quoted on the Official List of the ASX, and approval from the ASX for such reinstatement.

The Company will apply to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Shares offered under this Prospectus. If ASX does not grant permission for Official Quotation of the Shares within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, all applications will be dealt with in accordance with the Corporations Act.

Neither the ASX nor ASIC, or any of their respective officers, take responsibility for the contents of this Prospectus. The fact that the ASX may grant official quotation to the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by the ASX as to the merits of the Company or the Shares.

1.12 CHESS AND ISSUER SPONSORSHIP

The Company will operate an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers will make up the Company's register of Shares.

The Company will not issue share certificates to shareholders. Rather, holding statements (similar to bank statements) will be dispatched to shareholders as soon as practicable after allotment under this Prospectus. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under this Prospectus and provide details of a Shareholder's Holder Identification Number (for Shareholders who elect to hold shares on the CHESS sub register) or Shareholder Reference Number (for Shareholders who elect to hold their shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder following the month in which the balance of their shareholding changes and as required by law.

1.13 RISKS

Prospective investors in the Company should be aware that subscribing for securities the subject of this Prospectus involves a number of risks. These risks are set out in Section 6 of this Prospectus and investors are urged to consider those risks carefully (and if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 6, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered speculative.

1.14 OVERSEAS INVESTORS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of Shares in any jurisdiction outside Australia. It is the responsibility of any non-Australian resident investors to obtain all necessary approvals for the issue to them of Shares offered pursuant to this Prospectus.

1.15 PRIVACY DISCLOSURE

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, Applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

1.16 FORECASTS

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or financial projection would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

1.17 CREDITORS' MEETING TO EXTEND THE 'END DATE'

At a meeting of the Company's Creditors to be held towards the end of November 2010, the Company will be seeking approval for the extension of the 'End Date' for satisfaction or waiver of the conditions precedent as contemplated under the Recapitalisation Deed (**End Date**). The End Date is currently set for 30 November 2010, however the Company will be seeking the approval of Creditors to extend the End Date to 31 December 2010 in order to satisfy or waive these conditions.

SECTION 2 CONDITIONS OF THE OFFER

2.1 CONDITIONS

The Offers are conditional upon each of the matters referred to below being satisfied:

(a) Shareholders approving the resolutions at the Company's Annual General Meeting as set out in **Section 2.2** below; and

(b) satisfaction of the conditions precedent to the Recapitalisation Deed as set out in **Section 2.3** below.

2.2 SHAREHOLDER APPROVAL

At the Company's Annual General Meeting scheduled to be held on 29 November 2010, the Company will be seeking the approval of Shareholders for, amongst other things, the following resolutions:

(a) the Consolidation of the Company's existing Shares on issue on a 1 for 5 basis;

(b) Issue of the Shares pursuant to the Offers under this Prospectus;

(c) Issue of 10,000,000 Shares to the Trust Fund;

(d) Issue of 100,000,000 Shares to the Proponent; and

(e) Issue of 15,000,000 Shares to the Vendors of the SEAS Business.

2.3 SATISFACTION OF CONDITIONS OF THE RECAPITALISATION DEED

The Offers are conditional upon the satisfaction of the following conditions precedent to the Recapitalisation Deed:

(a) AAQ consolidating its existing fully paid ordinary shares on a one (1) for five (5) basis;

(b) the Creditors approving the replacement DOCA at the Creditor's Meeting;

(c) the Company issuing the Proponent (or its nominees) 100,000,000 Shares at an issue price of $0.001 to raise $100,000 (with 15,000,000 Shares offered in priority to Priority Shareholders);

(d) the Company receiving valid applications under the Prospectus and raising a minimum of $2,000,000;

(e) the Company entering into an agreement for the acquisition of a new aquaculture business on terms to the satisfaction of the Proponent; and

(f) ASX confirming in writing that it will lift the suspension on the trading of the Shares following Completion on terms satisfactory to the Proponent and the Deed Administrator, acting reasonably, without the need to recomply with Chapters 1 and 2 of the ASX Listing Rules.

SECTION 3 BACKGROUND AND COMPANY OVERVIEW

3.1 BACKGROUND

On 15 January 2009, Mervyn Kitay of WHK Horwath was appointed as the administrator of the Company pursuant to section 436A of the Corporations Act.

On 20 February 2009, a meeting of creditors resolved to enter into a deed of company arrangement (**Holding DOCA**), whereby Mevyn Kitay was appointed as the deed administrator of the Company (**Administrator**).

The Administrator subsequently called for proposals to recapitalise the Company with a view to seeking reinstatement to trading of its securities on ASX. A proposal from Charterhouse Capital Pty Ltd (**Proponent**) for the restructuring and recapitalisation of the Company was accepted and the terms agreed pursuant to a recapitalisation deed between the Administrator, the Proponent and the Company dated 7 September 2010 (**Recapitalisation Deed**). As part of the Recapitalisation Proposal, the Proponent (or its nominees) is entitled to be issued 100,000,000 Shares. The Proponent will be directing the Company to issue the Shares to a number of non-associated third parties of the Proponent, none of which will have an interest in the Company greater than 10% upon the Company's listing on ASX.

On 30 September 2010, the Company obtained the approval of its creditors to vary the terms of the Holding DOCA allowing the Company to be reconstructed under the terms of the Recapitalisation Deed. The replacement DOCA was subsequently executed on 1 October 2010 (**DOCA**). As part of the terms of the DOCA, all claims of creditors against the Company will be extinguished and any claims will be paid out of a creditors' trust, to be managed by an appointed trustee.

A summary of the DOCA and the Recapitalisation Deed are provided at **Section 4 of this Prospectus**.

3.2 HISTORICAL ACTIVITIES AND PROPOSED BUSINESS PLAN

Summary

On completion of the recapitalisation proposal, the Company will retain its existing assets and, subject to the satisfaction of certain conditions precedent, will continue trialing its aquaculture technology in conjunction with the newly acquired South East Atlantic Salmon (**SEAS**) business (together with all associated assets including goodwill, plant and equipment, intellectual property and stock).

It is the intention of the board of directors of AAQ to revitalise the Company's aquaculture business and develop it into a profitable enterprise.

Background

Prior to being placed into administration in January 2009, AAQ was a global aquaculture holding company with operations in North America and Vietnam. Commercial activities were conducted through three wholly owned subsidiaries:

(a) Australis Aquaculture LLC – owner and operator of a Barramundi fish farm in Turners Falls, Massachusetts, USA and which undertook all marketing and sales on behalf of the AAQ group;

(b) Australis Aquaculture Holdings LLC – owner of the land, buildings and plant in Turners Falls; and

(c) Australis Aquaculture Vietnam Limited – owner and operator of a fish farm (205 hectare site) in Central Vietnam.

The Company was the first and only significant producer of Australian barramundi in North America. Award-winning sustainable seafood products were marketed under the banner of The Better Fish®, Better Tasting, Better For You, Better for Our Environment.

In addition to producing Barramundi in the Massachusetts facility, the Company sought to rapidly increase supply through proprietary overseas sourcing and the establishment of overseas production operations with an initial focus in Vietnam. In June 2008, AAQ was granted 25 year licences to a 205 hectare site in Central Vietnam for a marine-based Barramundi farming operation. This contributed to a significant year-on-year production capacity increase.

On 27 February 2009, the Administrator entered into an agreement to sell the US and Vietnam subsidiary companies to WM Capital in exchange for debt forgiveness against the AAQ Group. As part of this transaction, AAQ procured a licence from Australis Aquaculature LLC (**Licensor**) in order to use the Licensor's confidential information and intellectual property in Australia, subject to certain restrictions (**Licence Agreement**).

Core Assets

AAQ's core assets are its licence to use intellectual property under the provisions of the Licence Agreement.

Pursuant to the Licence Agreement, AAQ has a non-exclusive license to use the following US patents (and related know how) in Australia:

(a) "Fluidized Bed Reactor and Distribution System" – US Patent Number 5,330,652; and

(b) "Method and Apparatus for Aquaculture and for Water Treatment related thereto" – US Patent Number 6,117,313 (**Licensed Technology**), (**License**).

The License Agreement is initially for a period of two years, but may be extended on an annual basis for a further six years.

AAQ is seeking to re-establish a position in the Australian aquaculture industry by utilising the Licensed Technology in which it has invested resources creating and developing and by commercially harnessing opportunities available to it in Australia.

Strategy

AAQ intends to re-initiate its aquaculture business through the use of the Company's Licensed Technology in conjunction with the SEAS business with a view to establishing a successful aquaculture company with an Australian focus.

The Company has recently purchased a salmonid (a generic term for 5 species of salmon and trout) aquaculture, processing and distribution business carried on under the name "South East Atlantic Salmon" at "Goodearth" Farm, Cape Jaffa and Beachport in the South East of South Australia.

The key to the rejuvenation of AAQ's business through the successful implementation of its business plan is the utilisation of the Company's existing Licensed Technology which covers key devices and processes critical to drive more sustainable, lower-cost salmonid farming at the SEAS business.

The Company will initially undertake a detailed feasibility study incorporating the trialling of the Company's Licensed Technology to determine the best use of the technology with the existing infrastructure owned by SEAS, particularly the integration of aeration, degassing and oxygenation functions in to allow improved operational efficiencies and reduced water usage.

Subject to the outcome of the feasibility study, AAQ will look to farm salmonids in staged quantities to ensure that quality is preserved and to identify any capacity constraints.

If this second stage is successful, the next step in the Company's evolution would require the development of a marketing program to promote the AAQ brand which would also include the selection of a distribution network to deliver product to customers.

SEAS Aquaculture Project

The SEAS project will be primarily managed by Doug Peel who has over 17 years experience in the aquaculture industry. In 1992 the Peel family diversified into aquaculture and started the SEAS company. SEAS has developed a hatchery and grow out ponds on the "Goodearth" farm where smolt is grown for the sea farm as well as fresh water Trout. Running the fish farm has enabled Doug to gain and develop a broad knowledge of fish and environmental practices and management skills. Doug will be assisted by Garry Peel who has a Skipper Ticket Master Class 5 commercial fishing vessel license and also a forklift license.

The SEAS project is intended to allow AAQ a conservative re-establishment into the Australian aquaculture industry in a sector with a focus on sustainable salmonid farming in Australia.

SEAS' present owners and management are experienced in the development of the methodologies and process of farming of Atlantic Salmon and Rainbow Trout on mainland Australia. Farming of Atlantic Salmon and Rainbow Trout is possible where water temperature and tidal conditions permit. The limestone coast of South Australia is one of the few areas in Australia where farming of Atlantic Salmon and Rainbow Trout is possible. SEAS holds all current licenses in South Australia for the growing of salmonids in ocean cages. The potential offered by the purchase of the SEAS business includes the opportunity to become a salmonid producer.

The SEAS business will allow AAQ to utilise the intellectual property in its licensed Licensed Technology which covers key devices and processes critical to the low cost re-use of water (which is a key driver of the economics of indoor aquaculture). Notwithstanding that the SEAS operation involves ocean cage aquaculture, every salmonid from the day of hatching to its smoltification, (the physiological metamorphoses that allows fish survival in a marine environment), starts its life and grows in fresh water indoor tanks, then ponds before being put into the ocean to grow out in the salt water. Effective and low cost biological water filtration of large volumes of water, particularly in the tanks is vital not only to the health of the fish but also to profitability.

Another part of AAQ's Licensed Technology includes the integration of aeration, degassing and oxygenation functions in a single device enabling improved operational efficiencies and reduced water usage. Such technology may create a sustainable competitive advantage for the SEAS operation.

Some of the main advantages of being located in South Australia include:

(a) a suitable area of ocean within which to grow and expand its business with average water temperatures in South East South Australia for the last 10 years;

(b) no seal colonies; and

(c) no gill amoeba – as an example, Tasmania waters may contain gill amoeba, which attacks the smolt when they are put in the ocean. The cost of treatment, which includes using antibiotics can contribute to an increased cost of production or loss of fish.

Further information in relation to the use of funds is set out in **Section 1.7**.

AAQ intends to take a slow and cautious approach to the growth of the SEAS farm. AAQ will be trialling the Licensed Technology in Year 1 and if successful, seeking to cautiously expand development in Year 2.

In the longer term AAQ may look to create a more diversified aquaculture product portfolio which will make it more attractive to both domestic and export markets as a preferred supplier.

It is intended that the funds raised pursuant to the capital raisings will be applied towards:

(a) the annual licence fee payable in respect of the Company's retained Licensed Technology;

(b) the cost of the recapitalisation process;

(c) a part payment to acquire the SEAS aquaculture business; and

(d) working capital for the business for a two year period.

The proposed budget expenditure over a two year period is set out in **Section 3.3.**

Other opportunities

In addition to the above, the new management team will actively seek out complementary and non-complementary assets, investments and businesses that will generate additional shareholder value.

3.3 USE OF FUNDS – EXPENDITURE BUDGET

An indicative two year expenditure budget for the funds raised under the Recapitalisation is set out below:

Item	Year 1 ($)	Year 2 ($)
Payment of Licence Fee to WM Capital LLC	10,000	10,000
Operating, leasing and management costs	100,000	100,000
Review of new projects	100,000	100,000
Working capital	200,000	200,000
Total	$410,000	$410,000

SECTION 4 MATERIAL CONTRACTS

4.1 SUMMARY OF MATERIAL CONTRACTS

Set out below is a summary of the material contracts to which the Company is a party that may be material in terms of the Offers for the operation of the business of the Company or otherwise may be relevant to a potential investor in the Company (**Material Contacts**).

The whole of the provisions of the agreements are not repeated in this Prospectus and any intending Applicant who wishes to gain a full knowledge of the content of the Material Contracts should inspect the same at the registered office of the Company.

4.2 RECAPITALISATION DEED

Set out below is a summary of the Recapitalisation Deed executed between the Administrator, the Company and the Proponent on 7 September 2010 (together with any agreed variations to the same):

(a) The Recapitalisation Deed is conditional upon the satisfaction or waiver of the following conditions precedent by the End Date:

  (i) AAQ consolidating its existing fully paid ordinary shares on a one (1) for five (5) basis;

  (ii) the Creditors approving the replacement DOCA at the Creditor's Meeting;

  (iii) the Shareholders approving the resolutions at the Annual General Meeting;

  (iv) the Company issuing the Proponent (or its nominees) 100,000,000 Shares at an issue price of $0.001 to raise $100,000 (with 15,000,000 Shares offered in priority to Priority Shareholders;

  (v) the Company receiving valid applications under the Prospectus and raising a minimum of $2,000,000;

  (vi) the Company entering into an agreement for the acquisition of a new aquaculture business on terms to the satisfaction of the Proponent; and

  (vii) the ASX confirming in writing that it will lift the suspension on the trading of the Shares following Completion on terms satisfactory to the Proponent and the Deed Administrator, acting reasonably, without the need to recomply with Chapters 1 and 2 of the ASX Listing Rules.

(b) The Proponent will provide $402,500 cash to the Deed Administrator for his distribution to the unsecured creditors of AAQ (after deducting associated costs of the Deed Administrator) (**Cash Consideration**).

(c) The Proponent will fund the Deed Administrator's costs of up to $27,500 (including GST) to convene the necessary creditors meeting(s) to approve the Recapitalisation Proposal.

(d) The Cash Consideration will be raised through a number of capital raisings by AAQ (which will be subject to the receipt of shareholder approval):

  (i) 100,000,000 Shares to the Proponent (or its nominees) at an issue price of $0.001 to raise $100,000 (with 15,000,000 Shares offered in priority to Priority Shareholders); and

  (ii) up to 275,000,000 Shares at an issue price of $0.01 to raise up to $2,750,000 (with 75,000,000 Shares offered in priority to Priority Shareholders).

(e) RM Corporate Finance Pty Ltd will underwrite the minimum subscription of the capital raisings, being $2,000,000.

(f) The Cash Consideration will be made available to the Deed Administrator within 5 business days after the satisfaction or waiver of the conditions precedent.

(g) AAQ will issue 10,000,000 shares to the Deed Administrator for the benefit of the unsecured creditors of AAQ (**Share Consideration**).

(h) The Proponent will reimburse the Deed Administrator's reasonable costs up to a maximum amount of $10,000 (excluding GST) in reviewing and assisting with the recapitalisation documents.

(i) All of the directors of AAQ will be removed and replaced by nominees of the Proponent.

(j) AAQ will retain all of its assets, in particular its interest in the Licensed Technology.

(k) On Completion (following satisfaction or waiver of all of the conditions precedent), the DOCA will terminate and a trust fund will be established to hold the Cash Consideration and Share Consideration for unsecured creditors and claimants of AAQ. After the DOCA has been terminated, the Deed Administrator will then retire from his duties as Deed Administrator of the Company.

4.3 DEED OF COMPANY ARRANGEMENT

On 20 February 2009, pursuant to section 439A of the Corporations Act, a meeting of the Company's creditors was held at which it was resolved that the Company enter into a deed of company arrangement (**Holding DOCA**). The Holding DOCA was subsequently entered into by the Company, the Proponent, the Administrator and the Trustee on 11 March 2009.

On 7 September 2010, the Administrator, the Company and the Proponent entered into a Recapitalisation Deed to implement the reconstruction and recapitalisation of the Company.

On 30 September 2010, the Company obtained the approval of creditors to vary the terms of the Holding DOCA allowing the Company to be reconstructed under the terms of the Recapitalisation Deed. A replacement deed of company arrangement was subsequenrtly entered into on 1 October 2010 (**DOCA**).

The DOCA provides for (among other things) the following:

(a) the DOCA binds all Creditors of the Company as well as the Company, the Proponent, the Administrator and the Trustee;

(b) all Creditors claims to be extinguished and instead shall become claims against the Trust Fund in accordance with the provisions of the Trust Deed;

(c) the Trust Fund shall receive the following (collectively referred to as the **Contributions**):

  (i) 10,000,000 Shares issued by the Company; and

  (ii) $402,500;

(d) the Administrator must deliver the Contributions it receives to the Trustee once the Trust Fund is established;

(e) the Contributions will be distributed by the Trustee to the Creditors in accordance with the terms of Trust Deed;

(f) the DOCA may terminate after completion has occured in accordance with the Recapitalisation Deed and the Trust Deed is entered into by the Administrator and the Company; and

(g) the Administrator will be reasonably remunerated for all reasonable costs and work done in accordance with the DOCA.

4.4 BINDING TERMS SHEET

On 10 November 2010, the Company entered into a binding terms sheet with South East Atlantic Salmon Pty Ltd (**SEAS**) and its shareholders (**Vendors**) to acquire the SEAS business (and all associated assets including goodwill, plant and equipment, intellectual property and stock) (**Binding Terms Sheet**).

The Binding Terms Sheet is subject to the satisfaction of the following conditions precedent (to be satisfied or waived by no later than the End Date):

(a) due diligence on the SEAS business to the satisfaction of AAQ;

(b) AAQ achieving a minimum capital raising of $2,000,000;

(c) AAQ becoming the registered holder of the SEAS licences; and

(d) confirmation from ASX that it will lift the suspension on the trading of the Company's Shares without the need for the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

The consideration payable to acquire the SEAS business is the sum of $250,000 and the issue to the Vendors of 15,000,000 Shares in AAQ. As part of the consideration, the Company will pay the Vendors $100,000 to continue operating and developing the SEAS business for the initial first 12 months. If the Company so elects, the Company has the option to extend this management period on an annual basis by giving notice within one month of the expiry of the term.

The Binding Terms Sheet also incorporates a lease of the property on which the SEAS hatchery and processing facility is located and sub-leasing of the offshore SEAS leases to the Company.

The issue of the 15,000,000 Shares as consideration to the Vendors will be subject to voluntary escrow for a period of 12 months from the date of issue of the Shares.

4.5 LICENCE AGREEMENT

On 27 February 2009, the Company entered into a Licence Agreement with Australis Aquaculture LLC (**Licensor**) in order to use the Licensor's confidential information and intellectual property in Australia, subject to certain restrictions (**License Agreement**).

Pursuant to the Licence Agreement, AAQ has a non-exclusive license to use the following US patents (and related know how) in Australia:

(a) "Fluidized Bed Reactor and Distribution System" – US Patent Number 5,330,652; and

(b) "Method and Apparatus for Aquaculture and for Water Treatment related thereto" – US Patent Number 6,117,313 (**License**).

As consideration for the License, AAQ will pay the Licensor a flat fee of $10,000 per year, provided however that in the event that AAQ commences growing or marketing fish as a result of using the License, the annual fee will be increased to $50,000 per year.

The License Agreement is initially for a period of two years, but the Company has the option to extend on an annual basis for a further six years.

4.6 UNDERWRITING AGREEMENT

On 10 November 2010 the Company enterred into an underwriting agreement with RM Corporate Finance Pty Ltd (**Underwriter**) pursuant to which the Underwriter agreed to underwrite the shortfall of the Offer to the maximum amount of $2,000,000 (**Underwriting Agreement**).

Pursuant to the Underwriting Agreement, the Underwriter will receive a fee of 6% of the total amount underwritten (exclusive of GST). The Underwriter is also entitled to all reasonable costs of and incidental to the lodgement of applications for the shortfall shares.

The Underwriter warrants that neither itself, nor any of its sub-underwriters or their nominees will hold over 20% of the issued share capital of the Company pursuant to the placement of the shortfall shares.

The Underwriter may terminate the Underwriting Agreement by notice in writing to the Company if prior to the completion of the Offer:

(a) (default) the Company is in default of any of the obligations under the Underwriting Agreement or breaches any warranty, representation or undertaking given under the Underwriting Agreement;

(a) (material change) a material and adverse change occurs after the date of the Underwriting Agreement in the financial position of the Company or the industry in which the Company or a subsidiary operates;

(b) (contravention) the Company contravenes any of the following, which in the reasonable opinion of the Underwriter has a material adverse effect on the Offer:

(i) any law, regulation, authorisation, ruling, consent, judgment, order or decree of any Government Agency;

(ii) its Constitution or another constituent document;

(iii) an Encumbrance or document which is binding on the Company or an asset of the Company or a Subsidiary;

(c) (solvency) an event of insolveny occurs in relation to the Company;

(d) (ASX Fall) if the ASX 200 falls by more than 5% from the date the Underwriting Agreement;

(e) (war) an outbreak of new hostilities or a state of war, whether declared or not, arises after the date of the Underwriting Agreement, or an escalation of hostilities already in existence occurs which in the reasonable opinion of the Underwriter has or is likely to have a material and adverse effect on the Offer;

(f) (dishonest director) after the date of the Underwriting Agreement a director of the Company commits or is convicted of a criminal offence or becomes a bankrupt which in the reasonable opinion of the Underwriter has or is likely to have a material and adverse effect on the Offer;

(g) (sub-underwriting) the underwriting is conditional on the Underwriter obtaining satisfactory sub underwriters performing their obligations under their sub-underwriting agreements.

The Underwriting Agreement is otherwise on terms and conditions that are standard for an agreement of this nature.

SECTION 5 INVESTIGATING ACCOUNTANT'S REPORT

Bentleys
Thinking ahead

Bentleys Audit
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11 November 2010

The Directors
AAQ Holdings Limited
(Subject to Deed of Company Arrangement)
C/O Charterhouse Capital
PO Box 1314
SUBIACO WA 6904

Dear Sirs

Investigating Accountant's Report – AAQ Holdings Limited (Subject to Deed of Company Arrangement)

INTRODUCTION

This report has been prepared at the request of the Directors of AAQ Holdings Limited (Subject to Deed of Company Arrangement) ("AAQ Holdings" or "the Company"), for inclusion in a Prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") on or around 12 November 2010 ("Prospectus"), relating to the proposed issue of 275,000,000 to raise a total of $2,750,000 as follows:

1. 200,000,000 ordinary shares at an issue price of $0.01 (1 cent) each to raise $2,000,000 (Public Offer); and
2. 75,000,000 ordinary shares at an issue price of $0.01 (0.1 cent) each to raise $750,000 (Priority Offer).

The Company will not accept oversubscriptions. The offer is underwritten up to the full amount of the minimum subscription level which is set at $2,000,000.

BASIS OF PREPARATION

The report has been prepared to provide investors with information on historical results and the financial position of AAQ Holdings, and to provide investors with a pro forma statement of financial position of AAQ Holdings as at 30 June 2010 adjusted to include funds raised by this Prospectus and other transactions as referred to in Note 2 of Appendix 2.

This Report does not address the rights attaching to the shares to be issued in accordance with the Prospectus, the risks associated with the investment, nor form the basis of an Expert's opinion with respect to a valuation of the Company or a valuation of the share issue prices of 1 cent per share for the Public Offer and 1 cent per share for the Priority Offer.

Bentleys has not been requested to consider the prospects for AAQ Holdings nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Bentleys accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in section 7 of the Prospectus.

BACKGROUND

On 15 January 2009, Mervyn Kitay of WHK Horwath was appointed as the administrator of the Company pursuant to section 436A of the Corporations Act. Consequently, the Company's securities were suspended from trading on the official list of ASX.

On 20 February 2009, a meeting of creditors resolved to enter into a deed of company arrangement ("Holding DOCA"), whereby Mevyn Kitay was appointed as the deed administrator of the Company ("Administrator").

The Administrator subsequently called for proposals to recapitalise the Company with a view to seeking reinstatement to trading of its securities on ASX. A proposal from Charterhouse Capital Pty Ltd ("Proponent") for the restructuring and recapitalisation of the Company was accepted and the terms agreed pursuant to a recapitalisation deed between the Administrator, the Proponent and the Company dated 7 September 2010 ("Recapitalisation Deed").

On 30 September 2010, the Company obtained the approval of its creditors to vary the terms of the Holding DOCA allowing the Company to be reconstructed under the terms of the Recapitalisation Deed. The replacement DOCA was subsequently executed on 1 October 2010 ("DOCA"). As part of the terms of the DOCA, all claims of creditors against the Company will be extinguished and any claims will be paid out of a creditors' trust, to be managed by an appointed trustee.

A summary of the DOCA and the Recapitalisation Deed is provided in Section 5 of this Prospectus and further details on the Background and Company Overview is provided in Section 3 of this Prospectus.

SCOPE OF REPORT

Bentleys has been requested to:

(a) report whether anything has come to our attention which would cause us to believe that the historical financial information disclosed in the appendices to this report is not fairly presented in accordance with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by AAQ Holdings, and

(b) report whether anything has come to our attention which would cause us to believe that the pro forma financial information disclosed in the appendices to this report is not presented fairly in accordance with the basis of preparation and assumptions set out therein and with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by AAQ Holdings.

AAQ Holdings has prepared, and is responsible for, the historical and pro forma financial information included in the appendices to this report.

SCOPE OF REVIEW

Bentleys has reviewed the financial statements of AAQ Holdings as at 30 June 2010. We have conducted our review of the historical financial information in accordance with Australian Auditing Standard ASRE 2405 "Review of Historical Financial Information Other Than a Financial Report". We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

(i) enquiry of directors, management and others;
(ii) analytical procedures on the historical information;
(iii) a review of work papers, accounting records and other documents; and
(iv) comparison of consistency in application of the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by AAQ Holdings.

The review procedures were substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards.

Having regard to the nature of the review, which provides less assurance than an audit, and to the nature of the historical and pro forma financial information, this report does not express an audit opinion on the historical and pro forma financial information included in the appendices to this report.

INTELLECTUAL PROPERTY

The principal assets of AAQ Holdings will be its intellectual property.

The intellectual property has been included at cost less amortisation in the pro forma statement of financial position. We have not performed our own valuation of the intellectual property. We are unable to form a view on whether the carrying values of the intellectual property are fairly stated.

OPINIONS

(a) Historical Financial Information

As noted in the Prospectus, on 15 January 2009 the Company appointed an Administrator. The current Company Directors were not Directors as at the Reporting Date, nor were they parties involved with the Company.

Every reasonable effort has been made by the Directors to ascertain the true position of the AAQ Holdings as at 30 June 2010. However, there may be information that the Directors have not been able to obtain, the impact of which may or may not be material on the accounts.

Furthermore, the director's declaration in the 30 June 2010 financial report indicates an inability by the Directors to declare that the financial statements and notes have been prepared in accordance with the Corporations Act 2001, including;

1. The financial statements are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards; and

   (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company and consolidated group;

2. Due to the existence of the limitations on the preparation of the financial report, the Chief Executive Officer and Chief Finance Officer are unable to declare that;

   (a) the financial records of the company for the financial year have been properly maintained in accordance with
   s286 of the *Corporations Act 2001*;

   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view;

Due to these limitations we are unable to obtain all the information and perform the required procedures in order to form our opinion on the financial report.

In our opinion due to the disclosure made by the directors in their declaration above, and because of the existence of the limitation on the scope in place upon our work, as described in the preceding paragraphs, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to and do not express a conclusion as to whether the historical financial information, as set out in the appendices of this report is presented fairly in accordance with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by AAQ Holdings.

(b) Pro Forma Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma financial information, as set out in the appendices of this report is not presented fairly in accordance with the basis of preparation in the appendices and assumptions set out therein and with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by AAQ Holdings.

SUBSEQUENT EVENTS

To the best of Bentleys' knowledge and belief, there have been no material items, transactions or events subsequent to 30 June 2010 not otherwise disclosed in this report or its appendices that have come to our attention during the course of our review which would cause the information included in this report to be misleading or deceptive.

INDEPENDENCE

Bentleys does not have any interest in the outcome of the listing of the shares, other than in connection with the preparation of this report for which normal professional fees will be received. Bentleys were not involved in the preparation of any part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus. Bentleys consents to the inclusion of this report in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

CHRIS WATTS
Director

APPENDIX 1 – HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION

STATEMENT OF COMPREHENSIVE INCOME

		Reviewed Actual 30 June 2010 $	Reviewed Pro forma 30 June 2010 $
Income		164	164
Forgiveness of creditors	2(h)	-	100,488
Amortisation expense		(44,829)	(44,829)
Administrator expense		(190,801)	(190,801)
Advertising expense		(17,159)	(17,159)
Legal expense		(16,896)	(16,896)
ASX expense		(22,593)	(22,593)
Write off of assets		(80,077)	(80,077)
Share based payments	2(e)	-	(100,000)
Other expenses		(13,003)	(13,003)
Loss before income tax		(385,194)	(384,706)
Income tax expense		-	-
Loss after income tax		(385,194)	(384,706)
Other comprehensive income		-	-
Total comprehensive loss for the period		(385,194)	(384,706)

APPENDIX 1 – HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION

	Note	Reviewed Actual 30 June 2010 $	Reviewed Pro forma 30 June 2010 $
CURRENT ASSETS			
Cash at Bank	3	2,364	1,864,864
TOTAL CURRENT ASSETS		2,364	1,864,864
NON CURRENT ASSETS			
Intangible Assets	4	278,971	619,927
Plant and equipment	5	-	59,044
TOTAL NON CURRENT ASSETS		278,971	678,971
TOTAL ASSETS		281,335	2,543,835
CURRENT LIABILITIES			
Trade and other payables	6	502,988	-
TOTAL CURRENT LIABILITIES		502,988	-
NON CURRENT LIABILITIES			
Deferred tax liability	7	80,691	80,691
TOTAL NON CURRENT LIABILITIES		80,691	80,691
TOTAL LIABILITIES		583,679	80,691
NET ASSETS/ (LIABILITIES)		(302,344)	2,463,144
EQUITY			
Issued capital	8	25,940,041	28,705,041
Reserve	9	233,109	233,109
Accumulated losses	10	(26,475,494)	(26,475,006)
TOTAL EQUITY		(302,344)	2,463,144

APPENDIX 2 – NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies

(a) Basis of Accounting

The financial statements have been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the statement of comprehensive income and the statement of financial position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the statement of financial positions are disclosed where appropriate.

The financial information has been prepared on the basis of a going concern. The company's ability to continue as a going concern is contingent upon raising additional capital to fund future projects, other principal activities, and for use as working capital. If additional capital is not raised, the going concern basis may not be appropriate with the result that the company may have to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial information. No allowance for such circumstances has been made in the financial information.

The statement of financial position as at 30 June 2010 is in accordance with the Company's reviewed financial position at that date. The pro forma statement of financial position at 30 June 2010 represents the reviewed financial position as at that date adjusted for the transactions discussed in Note 2 to this report. The statement of financial position should be read in conjunction with the notes set out in this report.

Going Concern

The statement of financial position of the Company as at 30 June 2010 discloses a net working capital deficiency of $500,624.

The Company incurred a loss from ordinary activities of for the period ended 30 June 2010 of $385,194.

On 15 January 2009, Mervyn Kitay of WHK Horwath was appointed as the administrator of the Company pursuant to section 436A of the Corporations Act. Consequently, the Company's securities were suspended from trading on the official list of ASX.

On 20 February 2009, a meeting of creditors resolved to enter into a deed of company arrangement ("Holding DOCA"), whereby Mevyn Kitay was appointed as the deed administrator of the Company ("Administrator").

The Administrator subsequently called for proposals to recapitalise the Company with a view to seeking reinstatement to trading of its securities on ASX. A proposal from Charterhouse Capital Pty Ltd ("Proponent") for the restructuring and recapitalisation of the Company was accepted and the terms agreed pursuant to a recapitalisation deed between the Administrator, the Proponent and the Company dated 7 September 2010 ("Recapitalisation Deed").

On 30 September 2010, the Company obtained the approval of its creditors to vary the terms of the Holding DOCA allowing the Company to be reconstructed under the terms of the Recapitalisation Deed. The replacement DOCA was subsequently executed on 1 October 2010 ("DOCA"). As part of the terms of the DOCA, all claims of creditors against the Company will be extinguished and any claims will be paid out of a creditors' trust, to be managed by an appointed trustee.

A summary of the DOCA and the Recapitalisation Deed is provided in Section 5 of this Prospectus and further details on the Background and Company Overview is provided in Section 3 of this Prospectus.

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The ability of the Company to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital.

Upon effectuation of the DOCA and all conditions associated with the reinstatement of the shares on the ASX, the Company's securities will be reinstated on the ASX.

Accordingly the accompanying financial statements have been prepared on a going concern basis. To the extent that the Company is not successful in raising capital, or in gaining reinstatement to official quotation on the ASX there is a level of uncertainty as to whether the Company will be able to continue to operate as a going concern.

(b) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(c) Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

- Interest income is recognised as it accrues.

(d) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Acquisitions of Assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is the published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Company's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(g) Intangibles Assets

Licences are recognised at cost of acquisition. Licences have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Licences are amortised over their useful life of 7 years. The useful lives of these intangible assets are assessed to be either finite or indefinite.
Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite lived intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Balances disclosed in the financial statements and the notes thereto are based on the best estimates of directors.

(h) Trade Creditors

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Issued Capital

Ordinary shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(j) Share Based Payments

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black and Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the payables in the statement of financial position.

2. Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information

The pro-forma financial information has been included for illustrative purposes to reflect the position of AAQ Holdings on the assumption that the following transactions had occurred as at 30 June 2010:

(a) Consolidate existing capital on a 1 for 5 basis such that the 90,156,950 ordinary shares on issue when the Company was placed in administration will be consolidated to 18,031,390 ordinary shares;

(b) Issue of 200,000,000 ordinary shares issued to the Public at an issue price of $0.01 (1 cent) each pursuant to the Prospectus to raise $2,000,000;

(c) Issue of 75,000,000 ordinary shares issued to Priority Shareholders at an issue price of $0.01 (1 cent) each pursuant to the Prospectus to raise $750,000;

(d) Issue of 100,000,000 ordinary shares at an issue price of $0.001 (0.1 cent) each pursuant to the Recapitalisation Deed to raise $100,000. This issue will be made to the Proponent, Charterhouse Capital Pty Limited;

(e) Issue of 10,000,000 ordinary shares at nil consideration to the Creditors Trust. The shares have been assigned the nominal value of $0.01 (1 cent) each and will be issued pursuant to the Recapitalisation Deed;

(f) Issue of 15,000,000 ordinary shares at $0.01 (1 cent) per share and the payment of $250,000 cash for the acquisition of assets from South East Atlantic Salmon Pty Ltd ("SEAS") and its shareholders ("Vendors");

(g) The payment of $402,500 to the Creditors Trust thus effectuating the DOCA and Recapitalisation Deed with the Administrator;

(h) Forgiveness of all Creditors Claims against the company under the DOCA; and

(i) The payment of expenses of the Prospectus totalling an estimated $335,000 and expensed against equity.

	Note	Reviewed Actual 30 June 2010 $	Reviewed Pro forma 30 June 2010 $
3. Cash and cash equivalents			
Cash at Bank – 30 June 2010		2,364	2,364
Issues of 200,000,000 ordinary shares pursuant to this Prospectus – Public Offer	2(b)	-	2,000,000
Issue of 75,000,0000 ordinary shares pursuant to this Prospectus – Priority Offer	2(c)	-	750,000
Issue of 100,000,0000 shares to Charterhouse Capital Pty Ltd	2(d)	-	100,000
Payment to Vendors for acquisition of assets of SEAS	2(f)	-	(250,000)
Payment to Creditors Trust	2(g)	-	(402,500)
Prospectus issue costs	2(i)	-	(335,000)
		2,364	1,864,864
4. Intangibles			
NON CURRENT			
License agreement – directors valuation		278,971	278,971
License agreement – SEAS	2(f)	-	300,000
Goodwill – SEAS	2(f)	-	40,956
		278,971	619,927
5. Plant and Equipment			
NON CURRENT			
Plant and equipment – SEAS	2(f)	-	59,044
		-	59,044

	Note	Reviewed Actual 30 June 2010 $	Reviewed Pro forma 30 June 2010 $
6. Trade and other payables			
CURRENT			
Trade and other payables – 30 June 2010		502,988	502,988
Payment to Creditors Trust	2(g)	-	(402,500)
Forgiveness of all Creditors Claims	2(h)	-	(100,488)
		502,988	-
7. Deferred Tax Liability			
NON CURRENT			
Deferred tax liability – 30 June 2010		80,691	80,691
		80,691	80,691
8. Issued capital			
Issued capital – 30 June 2010		25,940,041	25,940,041
Issues of 200,000,000 ordinary shares pursuant to this Prospectus – Public Offer	2(b)	-	2,000,000
Issue of 75,000,0000 ordinary shares pursuant to this Prospectus – Priority Offer	2(c)	-	750,000
Issue of 100,000,0000 ordinary shares to Charterhouse Capital Pty Ltd	2(d)	-	100,000
Issue of 10,000,000 ordinary shares to Creditors Trust	2(e)	-	100,000
Issue of 15,000,000 shares to Vendors	2(f)	-	150,000
Prospectus issue costs	2(i)	-	(335,000)
		25,940,041	28,705,041
a. Ordinary Shares		No.	No.
Opening Balance – 30 June 2010		90,156,950	90,156,950
Consolidate existing capital on a one for five basis	2(a)	-	(72,125,560)
Issues of 200,000,000 shares pursuant to this Prospectus – Public Offer	2(b)	-	200,000,000
Issue of 75,000,0000 shares pursuant to this Prospectus – Priority Offer	2(c)	-	75,000,000
Issue of 100,000,0000 shares to Charterhouse Capital Pty Ltd	2(d)	-	100,000,000
Issue of 10,000,000 shares to Creditors Trust	2(e)	-	10,000,000
Issue of 15,000,000 shares to Vendors	2(f)	-	15,000,000
		90,156,950	418,031,390

	Note	Reviewed Actual 30 June 2010 $	Reviewed Pro forma 30 June 2010 $

9. Reserves

The reserve relates to asset revaluations which records revaluations of non-current assets.

10. Accumulated Losses

	Note	Reviewed Actual 30 June 2010 $	Reviewed Pro forma 30 June 2010 $
Accumulated losses – 30 June 2010		(26,475,494)	(26,475,494)
Issue of 10,000,000 shares to Creditors Trust	2(e)	-	(100,000)
Forgiveness of all Creditors Claims	2(h)	-	100,488
		(26,475,494)	(26,475,006)

11. Related Parties

Refer to Section 8 of this Prospectus for details of related party transactions and shareholdings.

12. Commitments

There are no commitments not already disclosed in this Prospectus or accounted for in the pro forma financial information which are sufficiently material to warrant disclosure.

13. Contingent Assets and Liabilities

At the date of our report, the Directors have not made any specific undertakings regarding any amounts which may become payable in the future. Further details and specific arrangements are contained in Section 5 and 8 of this Prospectus. In the opinion of the directors, other than the matters disclosed above, there were no material contingent liabilities or assets as at 30 June 2010 and in the interval between 30 June 2010 and the date of this report.

14. Subsequent Events

There have been no events subsequent to balance date not already disclosed in this Prospectus or accounted for in the pro forma financial information which are sufficiently material to warrant disclosure.

SECTION 6 RISK FACTORS

There are numerous risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks associated with the Company's business.

This section identifies areas the Directors regard as major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending applicants should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to subscribe for Shares pursuant to this Prospectus.

Applicants should be aware that there are risks associated with any share investment. The value of the Shares may be above or below the issue price under this Prospectus. The Shares allotted under this Prospectus carry no guarantee in respect of profitability, dividends or return of capital.

The Shares offered under this Prospectus should be regarded as speculative and investors should be aware that they may lose some or all of their investment. Investors should consider whether the Shares offered under this Prospectus are a suitable investment having regard to their own individual investment objectives, financial circumstances and the risk factors set out below. This list is not exhaustive and, if in any doubt, investors should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

Specific risks include:

6.1 FINANCIAL REPORTING AND AGM REQUIREMENTS

The Company was previously in breach of its financial reporting requirements for having failed to lodge its financial reports for the financial reporting periods ending 30 June 2009 and 31 December 2009 with ASIC by an extended deadline of 30 June 2010. The Company also failed to lodge its half yearly report for 31 December 2008. The Company has only recently lodged these outstanding reports with ASIC on 11 November 2010.

Furthermore, the Company was granted an extension of time by ASIC in which to hold its Annual General Meeting for the financial year ended 30 June 2009, until 13 August 2010. The Company has not as yet complied with this requirement. The Company is however scheduled to hold its Annual General Meeting for the financial year ended 30 June 2010 on 29 November 2010. The Annual General Meeting will, amongst other things, include the consideration of the financial reports ending 30 June 2009 and 30 June 2010.

The Company's failure to lodge its financial reports and hold an AGM for the 2009 financial year by the requisite ASIC deadlines may attract liability under the Corporations Act and/ or affect the Company's operations going forward (including the Company's ability to be reinstated to the Official List of the ASX).

6.2 NO PROFIT TO DATE AND UNCERTAINTY OF FUTURE PROFITABILITY

The Company has incurred significant losses in the past resulting in it being placed into Administration. It is not possible to evaluate the Company's future prospects based on past performance. Although this past performance should not impact the future opportunities for the Company, however the Company does expect to make losses in the immediate future as it develops its existing Licensed Technology and the SEAS Business and considers other investment opportunities.

Factors that will determine the Company's future profitability are its ability to identify and successfully acquire new investment opportunities, to manage its costs, to execute its development and growth strategies and to be aware of, and manage the Company through, the actions of competitors and regulatory developments. As a result, the extent of future profits, if any, and the time required to achieve sustainable profitability, is uncertain. In addition, the level of any such future profitability cannot be predicted and may vary significantly from period to period.

6.3 LIMITED TRADING HISTORY OF THE SEAS BUSINESS

The newly acquired SEAS business (together with all associated assets including goodwill, plant and equipment, intellectual property and stock) is at the early development/start-up stage and has had a limited trading history. As a consequence, the Company cannot guarantee that it will be able to develop and commercialise the SEAS business into a successful aquaculture enterprise in the near to long term, or at all.

6.4 DEVELOPMENT AND UTILISATION OF THE EXISTING LICENSED TECHNOLOGY

The Company is relying on its ability to develop and utilise the Licensed Technology as part of its newly acquired SEAS aquaculture business. A failure to successfully develop and utilise the Licensed Technology could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position.

6.5 LISTING OF SHARES ON ASX

As outlined elsewhere in this Prospectus, the Shares are currently suspended from trading on ASX. Provided the conditions of the Offers are satisfied (see **Section 2**), the Company will seek to have its Shares released from suspension. ASX has an ultimate discretion on the lifting of the suspension. However, ASX has provided notice to the Company that upon the Company satisfying certain requirements including, but not limited to, the satisfaction of the conditions as outlined in **Section 2**, ASX would intend to reinstate the Shares to Official Quotation.

6.6 CONDITIONAL OFFERS

The Offers under this Prospectus are subject to the satisfaction of a number of conditions (see **Section 2**). This includes the satisfaction of the conditions precedent under the Recapitalisation Deed and obtaining shareholder approval for the resolutions the subject of the Annual General Meeting. If these conditions, and any others the subject of this Prospectus are not satisfied, the Company will not be permitted to allot and issue the Shares pursuant to the Offers.

In addition, there is a risk the Creditors will not approve the extension of the End Date at the Creditors' Meeting for satisfaction or waiver of the conditions precedent to the Recapitalisation Deed (as contemplated at **Section 1.17**). However, the Directors do not perceive this to be a material risk to the Company.

6.7 PRODUCTION RISKS

Apart from the inherent risks associated with rearing and cultivation of salmonid fish stocks from the early hatchery stage to the final supply and export stage, the Company cannot guarantee that disease, infection, adverse weather conditions, maintenance or repair, or any operational interruptions will not affect production optimization. Such events could detrimentally impact on the financial performance of the Company's SEAS Business.

6.8 SECTOR RISKS

The Company is exposed to a number of business risks which include higher than anticipated operating costs, an increase in competition or loss or damage to the Company's assets, which may have a material adverse effect on the business and financial position of the Company.

6.9 DEPENDENCE ON PERSONEL

The Company is dependent on its Directors to identify an appropriate project or assets for acquisition by the Company, and then to successfully manage that acquisition or investment through settlement, associated capital raising if required and successful operations. The loss of service of the Directors could have an adverse effect on the proposed operations of the Company.

The Company will also source external consultants with knowledge of aquaculture and associated markets. The loss of access to such consultants could have an adverse effect on the proposed operations of the Company.

6.10 REGULATORY RISK

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and its shares. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

6.11 UNFORESEEN EXPENDITURE RISK

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

6.12 LOSS OF KEY CUSTOMER CONTRACTS WITHIN AUSTRALIA OR IN EXPORT COUNTRIES

There is a risk that local and overseas consumer preference for salmonid and related products may change over time. There is also a risk that competition may develop for the supply of salmonid to the export market and this could have a material adverse effect on the Company's operating and financial performance.

6.13 ADVERSE MOVEMENT IN INPUT COSTS

The production of salmonid from the early hatchery stage through to the export stage requires a number of inputs including feed, water, salmonid eggs, staff, hatchery equipment and harvesting equipment. Any increase in the costs of these inputs will have an impact on the Company's future profitability.

6.14 ADVERSE CLIMATIC CONDITIONS

The SEAS business is located in a unique region of South Australia which supports the production of salmonid. However, there is a risk that the salmonid may experience adverse climate conditions, including extreme heat, hail, floods, drought, frost, winds, dust storms and other conditions which could affect the quantity and quality of the salmonid stocks. This includes any impacts of global climate change.

6.15 POTENTIAL ACQUISITIONS

As part of its business strategy, the Company may make acquisitions of, or significant investments in, other companies, products or technologies, although no such acquisitions or investments have been identified.

Even in the event that future acquisition targets are identified by the Company, there are no assurances of completing these transactions and the due diligence costs and related costs could have a material effect on the profitability of the Company.

Further, future acquisitions may be outside the scope of the Company's current business model and accordingly the Company may face the additional business risk of integrating disparate operations. Any acquisition will require financing which may create additional risks to the expansion of the Company's business if the allocation of the Company's limited cash resources is required to be varied.

6.16 INSURANCE RISKS

The Company intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with Public Companies is not always available and where available often the costs can be prohibitive.

6.17 COMPETITION RISK

The industry in which the Company is involved is subject to domestic and global competition. Whilst the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

6.18 ENVIRONMENTAL RISKS

The operations and proposed activities of the Company will be subject to relevant laws and regulations concerning the environment in the countries in which the Company operates. As with most projects and production operations, the Company's activities are expected to have an impact of the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all relevant environmental laws. Nevertheless, there may be risks inherent in the Company's activities, or other unforeseen circumstances which could subject the Company to extensive liability.

General risks include:

6.19 ECONOMIC AND GOVERNMENT RISKS

The future viability of the Company is also dependent on a number of other factors which may affect the performance of all industries, including, but not limited to, the following:

- general economic conditions in Australia and its major trading partners;
- changes in Government policies, taxation and other laws;
- the strength of the equity and share markets in Australia and throughout the world;
- movement in, or outlook on, exchange rates, interest rates and inflation rates;
- natural disasters, social upheaval or war in Australia or overseas; and
- other factors beyond the control of the Company

6.20 FUTURE CAPITAL NEEDS

Further funding of projects and potential acquisitions may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance.

SECTION 7 ADDITIONAL INFORMATION

7.1 COMPANY INFORMATION

The Company was incorporated on 21 September 2001 and was admitted to the Official List of the ASX on 30 July 2004. The Company's Shares were suspended from trading on the ASX on 12 January 2009.

7.2 RIGHTS ATTACHING TO SHARES

Shares issued pursuant to the Offers will rank equally with all other fully paid ordinary shares on issue.

The rights attaching to the Shares are set out in the constitution of the Company. A broad summary (although not an exhaustive or definitive statement) of the rights attaching to the Shares are outlined below.

7.2.1 RANKING OF SHARES

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

7.2.2 VOTING RIGHTS

Subject to any special rights or restrictions (at present there are none), at any Shareholder meeting, each Shareholder present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

7.2.3 VARIATION OF RIGHTS

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

7.2.4 TRANSFER OF SHARES

Subject to the constitution of the Company, the Corporations Act and other relevant laws, the Shares are freely transferable.

7.2.5 GENERAL MEETINGS

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's constitution, the Corporations Act and any other laws.

7.2.6 RIGHTS ON WINDING UP

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- divide among the Shareholders the whole or any part of the Company's property; and
- decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets (following full satisfaction of all creditors debts) on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

7.3 PROFILE OF THE DIRECTORS

Mr. Guy T. Le Page – Executive Chairman

Mr Le Page B.A, B.Sc.. B.App.Sc. (Hons), MBA, G. Dip App Fin, FFin, MAusIMM is a director of RM Corporate Finance a corporate finance and advisory company.

He is also actively involved in a range of corporate initiatives from mergers and acquisitions, initial public offerings to valuations, consulting, expert witness and corporate advisory roles. Guy was a Corporate Adviser at ASX listed Stockbroker Tolhurst Noall from 1998 before joining RM Capital in 2002. Prior to his tenure at Tolhurst Noall, Guy was Head of Research at Morgan Stockbroking Limited (Perth). As Head of Research, Guy was responsible for the supervision of all Industrial and Resources Research.

As a Resources Analyst, Guy published detailed research on various mineral exploration and mining companies listed on the ASX. The majority of this research involved valuations of both exploration and production assets.

Prior to entering the stockbroking industry, he spent 10 years as an exploration and mining geologist in Australia, Canada and the United States.

His experience spans gold and base metal exploration and mining geology, and he has acted as a consultant to private and public companies. This professional experience included the production of both technical and valuation reports for resource companies.

Guy holds a Bachelor of Arts, Bachelor of Science and Master of Business Administration from the University of Adelaide, a Bachelor of Applied Science (Hons) from Curtin University of Technology and a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia. He is also a fellow of FINSIA and Member of the Australasian Institute of Mining and Metallurgy.

Guy is a director of ASX listed Tasman Resources NL, Eden Energy Ltd, Palace Resources, Red Sky Energy Ltd, Enerji Ltd and Fission Energy Limited.

Mr. Nikolce Jovanovski – Non Executive Director

Mr. Jovanovski has over 15 years of experience within multiple engineering sectors, including heavy industrial manufacturing, research and development within the mining, automotive and infrastructure industries, plant process engineering across multiple industries ranging from mining, infrastructure, automotive, solar energy and welding manufacturing. Mr. Jovanovski has also been involved in the strategic business development of numerous companies across all parts of the world and covering a wide range of industry sectors. These roles involved the strategic development of engineering practices, business expansion strategies and implementations plans to achieve growth targets.

Keong Chan – Non Executive Director & Company Secretary

Mr. Chan, spent a number of years with Big 4 accounting firms in Sydney, Canberra and Perth, where he was national manager for Deloitte's Australian International trade practice. This position involved the coordination of teams across Australia to perform due diligence activities on private equity transactions, analysis of establishing operations in Australia, cost minimisation programs and other restructuring activities.

In the corporate finance sector, Mr Chan has provided strategic advice to a number of companies on corporate matters in relation to, IPOs, back door listings, mergers and acquisitions, takeovers/divestments and acted as advisor to a number of ASX listed boards as well as acting as a representative for overseas funds/investment banks and mining conglomerates.

Mr Chan is currently Director of Charterhouse Capital and holds a Bachelor of Commerce and a Masters of International Trade Law.

7.4 CORPORATE GOVERNANCE

This summary identifies the main corporate governance policies and practices that are intended to be adopted by the Directors. The Directors are committed to high standards of corporate governance in the performance of their duties.

7.4.1 THE ROLE OF THE BOARD

The Board is responsible for the overall corporate governance of the Company, and recognises the need for the highest standards of ethical behavior and accountability. The Board will be committed to administering its Corporate Governance structures to promote integrity and responsible decision-making. To the extent that they are relevant to the Company, the Company will adopt the Corporate Governance Principles and Recommendations as published by the ASX Corporate Governance Council.

The following policies and procedures have been implemented:

- Statement of Board and Management Functions;
- Policy and Procedures for selection and appointment of new directors;
- Code of conduct for directors and key executives;
- Share Trading Policy;
- Summary of procedure for selection of external auditor and rotation of engagement audit partner;
- Continuous Disclosure Policy;
- Shareholder Communications Strategy;
- Risk Management Policy;
- Process for performance evaluation of the Board, board committees, individual directors and key executives; and
- Corporate Code of Conduct.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including Shareholders, co-ventures, the government and the community. The Board will consider on an ongoing basis its Corporate Governance procedures and whether they are sufficient given the size and nature of the Company's operations.

7.4.2 COMPOSITION OF THE BOARD

The Board is comprised of two non-executive Directors and one executive Chairman. The Board may seek to nominate additional persons for appointment to the Board who have the qualifications, experience and skills to augment the capabilities of the Board.

7.5 CONTINUOUS DISCLOSURE AND MARKET PRICE OF SHARES

The Company is a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company. The Company's Shares are currently suspended and as such no market price is available.

7.6 INTERESTS OF DIRECTORS

Other than as set out below or elsewhere in this Prospectus, no Director has, or has had within two years before lodgement of this Prospectus with ASIC:

- any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers; and
- no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director, either to induce him or her to become, or to qualify them as a Director, or otherwise, for services rendered by him or her in connection with the formation or promotion of the Company or the Offers.

7.6.1 SHAREHOLDING QUALIFICATIONS

Directors are not required to hold any Shares under the constitution of the Company.

7.6.2 DIRECTORS' SECURITY HOLDINGS

Directors and their Associates	Number of Shares	Number of Options
Mr Keong Chan	2,000,000	Nil
Mr Guy Le Page	10,000,000	Nil
Mr Nikolce Jovanovski	Nil	Nil
Total	**12,000,000**	**Nil**

Mr Guy Le Page, a director of the Company, is also a director and controller of the Underwriter, RM Corporate Finance. However, the Underwriter does not intend to acquire any Shares pursuant to the Underwriting Agreement. The Underwriter intends to satisfy its obligations under the Underwriting Agreement by arranging for unrelated and unassociated third parties to subscribe for Shares pursuant to the Offer.

7.6.3 DIRECTORS' REMUNERATION

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive Directors must not exceed in aggregate the amount fixed by the Company in a general meeting or, prior to an amount being fixed in general meeting, an amount determined by the Directors. The current aggregate remuneration for all non-executive Directors (as set by the Company in general meeting) will be not more than $250,000 per annum (allowing for the appointment of future Directors) to be apportioned among the non-executive Directors in such a manner as they determine.

7.7 INTERESTS AND FEES OF PROFESSIONALS

Other than as set out below or elsewhere in the Prospectus, no expert, promoter, or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with has or has, within two years before lodgement of the Prospectus with ASIC:

- had any interest in the formation or promotion of the Company or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers; and
- not recorded any amounts or benefits or has not agreed to be paid benefits for services rendered by such persons in connection with the formation or promotion of the Company or the Offers.

Steinepreis Paganin has acted as Solicitors to the Offers. Fees payable to Steinepreis Paganin for work done in relation to this Prospectus and in respect of the Offers is approximately $60,000. Steinepreis Paganin has performed other work in relation to the Recapitalisation of the Company over the last 6 months, including the preparation of Recapitalisation Deed, Deed of Company Arrangement, Creditor's Trust deed and associated variations of same. Fees payable to Steinepreis Paganin have been charged in accordance with their normal hourly rates.

Bentleys has acted as Investigating Accountant to the Offers, as well as assisting the production of accounts for the 6 months to Dec 31 2008, June 30 2009, Dec 31 2009 and June 30 2010. Fees payable to Bentleys for work done in relation to the Investigating Accountants Report and associated accounting work is approximately $30,000. Bentleys has performed no other work in relation to the Recapitalisation of the Company. Fees payable to Bentleys have been charged in accordance with their normal hourly rates.

Computershare Limited remains the Company's Share Registry and will be paid for these services on normal commercial rates.

7.8 CONSENTS

Each of the parties referred to in this **Section 7**:

- does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this **Section 7**; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this **Section 7**.

Steinepreis Paganin has given, and has not before lodgement of this Prospectus withdrawn its written consent to being named in this Prospectus as Solicitors to the Issue in the form and context in which it is named, together with all references to it in this Prospectus. Steinepreis Paganin has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

Computershare Limited has given, and has not before lodgment of this Prospectus withdrawn, its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named, together with all references to it in this Prospectus. Computershare Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry. Computershare Limited has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

RM Corporate Finance Pty Ltd has given, and has not before lodgment of this Prospectus withdrawn, its written consent to be named in this Prospectus as the Underwriter in the form and context in which it is named, together with all references to it in this Prospectus. RM Corporate Finance Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as the Underwriter. RM Corporate Finance Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

Bentleys has given, and has not before lodgment of this Prospectus withdrawn its consent to be named in this Prospectus as Investigating Accountant to the Issue in the form and context in which it is named, together with all references to it in this Prospectus. Other than providing the Investigating Accountants

Report on the Company's financial position, Bentleys has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

7.9 EXPENSES OF THE OFFER

The expenses of the Offers is expected to comprise the following estimated costs and are exclusive of any GST payable by the Company.

Expenses Of The Offers	Minimum Subscription	Maximum Subscription
Legal fees	$60,000	$60,000
Investigating Accountant's fees	$10,000	$10,000
Accounting and Tax	$20,000	$20,000
Capital Raising Fees	$120,000	$165,000
Printing and Design	$10,000	$10,000
ASIC and ASX fees	$10,000	$10,000
Miscellaneous costs	$60,000	$60,000
Total Estimated Expenses	$290,000	$335,000

****Commissions of up to 6% of the value of the funds raised pursuant to the Offers may be paid to holders of an AFSL licence.**

7.10 LITIGATION

There is currently no past, present or pending litigation of which the Company is aware against either Company or the Company's Directors.

7.11 TAXATION

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. Neither the Company nor any of the Directors accept any liability or responsibility in respect of the taxation consequences of the matters referred to above.

7.12 ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC and the issue of shares in response to an electronic application form subject to compliance with certain provisions. If you have received this Prospectus as an electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company and it will send you free of charge either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies shall be dealt with in accordance with section 722 of the Corporations Act.

SECTION 8 DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorized by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company.

Guy Le Page

Mr Guy Le Page
Executive Chairman

12 November 2010

SECTION 9 DEFINITIONS

Definitions used in this Prospectus are as follows:

Administrator	means Mr Mervyn Kitay, in his capacity as deed administrator of the DOCA.
Admitted Claim	means the amount of a Creditor's Claim as determined by the Deed Administrator pursuant to the DOCA.
Admitted Creditor	means a Creditor whose Claim has been admitted by the Deed Administrator pursuant to the DOCA.
AUD $	means Australian dollars. All amounts in this Prospectus are in Australian dollars unless stated otherwise.
Applicant	means a person who submits an Application.
Application	means a valid application to subscribe for Shares under the Prospectus.
Application Forms	means the Application Forms attached to, and forming part of this Prospectus.
Application Monies	means the amount of money in dollars and cents payable for Shares pursuant to this Prospectus.
Associates	has the meaning given in the Corporations Act.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691), or the Australian Securities Exchange, as the context requires.
ASX Market Rules	means the ASX Market Rules issued by ASX.
Bentleys	means Bentleys Audit & Corporate (WA) Pty Ltd.
Business Day	means a day on which trading banks are open for business in Perth, Western Australia except a Saturday, Sunday or public holiday.
Board	means the Board of Directors of the Company.
CHESS	means ASX Clearing House Electronic Sub-register System.
Claim	means a debt owing (whether now, in the future or contingently) by, or a claim subsisting against or alleged to be subsisting against, the Company in favour of a person, which arose on or before 20 February 2009 irrespective of whether the debt or claim arose by virtue of contract, at law, in equity or otherwise and including (without limitation) a claim arising only in damages, a debt or a claim arising under a guarantee.
Closing Date	means, with respect to the Priority Offer, 3 December 2010, and with respect to the Public Offer, 10 December 2010, or other such date and time as the Company may determine.
Company	means AAQ Holdings Limited (ACN 098 236 938) (Subject to Deed of Company Arrangement).
Consolidation	means the one (1) for five (5) consolidation of the Company's securities that is proposed to be approved by Shareholders at the General Meeting.
Corporations Act	means the Corporations Act 2001 (Cth).
Creditors	means any person having a Claim.
Deed Administrator	means the Administrator of the DOCA.
Directors	means the directors of the Company being: Mr Guy Le Page, Mr Nikolce Jovanovski and Mr Keong Chan.
DOCA/Deed of Company Arrangement	means the Deed of Company Arrangement as summarised at Section 4.3

	of the Prospectus.
End Date	means the date as defined in **Section 1.17** of this Prospectus.
Exposure Period	means the period of seven (7) days after the date of lodgement of the Prospectus, which period may be extended by ASIC by not more than seven (7) days pursuant to section 727(3) of the Corporations Act 2001.
General Meeting	means the annual general meeting of Shareholders held on 29 November 2010.
Issue	means the issue of Shares in accordance with the Offers.
Licensed Technology	means the licensed patented technology as described at **Section 3.2.**
Listing Rules	means the listing rules of ASX.
Maximum Subscription	means the raising of up to $2.75 million by the issue of 275,000,000 Shares pursuant to this Prospectus.
Meeting Documents	means a notice of meeting, explanatory memorandum and such other documents (including an independent expert's report) as may be required under the Listing Rules or the Corporations Act for the purpose of convening and holding the General Meeting.
Minimum Subscription	means the raising of $2 million by the issue of 200,000,000 Shares pursuant to this Prospectus.
Shares	means a fully paid ordinary share in the capital of the Company issued pursuant to the Offers contained in this Prospectus.
Notice of Meeting	means the notice convening the General Meeting.
Offers	means the Offers including the Priority Offers and Public Offers, made under this Prospectus as set out in **Section 1** of this Prospectus.
Official List	means the official list of ASX.
Opening Date	means the first date for receipt of completed Application Forms which is 9:00am WST on 19 November 2010 or other such date and time as the Company may determine.
Priority Offers	means 75,000,000 Shares issued at $0.01 each to the Top 20 Shareholders of AAQ Holdings as at the date of this Prospectus.
Priority Shareholders	means the the Top 20 Shareholders of AAQ Holdings as at the date of this Prospectus.
Proponent	means Charterhouse Capital Pty Ltd (ACN 136 975 990).
Prospectus	means this prospectus dated 12 November 2010.
Recapitalisation Deed	means the Recapitalisation Deed executed on 7 September 2010 between the Administrator, the Company and Charterhouse Capital Pty Ltd.
Recapitalisation Proposal	means the proposal for the recapitalisation of the Company as described in **Section 3.2** of this Prospectus and as set out in the Notice of Meeting.
SEAS	means the South East Atlantic Salmon Pty Ltd.
Share(s)	means a fully paid ordinary share or shares in the capital of the Company.
Shareholder	means the holders of Shares registered in the Company's share registry.
Share Registry	means Computershare Limited (ACN 005 485 825)
Subscription Account	means the bank account that will be established by the Company for the purpose of depositing all the Application Monies until such time as they are eligible for withdrawal.
Trust Fund	means the fund established for the benefit of the Creditors.

Trustee	**means the Administrator acting in their capacity as trustee of the Trust Fund.**
Underwriter	**means RM Corporate Finance Pty Ltd.**
WST	**means Perth, Western Australian local time.**

SECTION 10 APPLICATION FORMS