Global Seafood Australia LTD

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SEND TO Company Announcements	SUBJECT Letter to shareholders
COMPANY Australian Stock Exchange	FROM David Hooker
FAX No. 1300 300 021	DATE 3rd December 2002

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Attached please find the following:

1. Letter to shareholders and attachment

Regards

David Hooker
Director

Global Seafood Australia LTD
30 Manton Street Morningside Brisbane Queensland Australia
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2 December 2002

Dear Shareholder,

As the Board continues to realign the focus of the company on its core businesses and moves forward with implementing its strategic plan, I intend to provide regular communication to keep you informed of our progress.

Key matters include:

- Future goals and strategies
- Investment opportunity for shareholders
- Capital raising strategies and the 18 December 2002 General Meeting
- Responses to questions raised at the recent AGM
- Keeping on track

Future Goals and Strategies
Your new Board has developed a clear future strategy for the business, and this is outlined in the Annual Report. To date this is on track, with the early focus being on developing sustainable profitable operations and improving financial strength. As the new year unfolds we will target key marketing initiatives and build additional strategic and operational capabilities. Our new strategic alliances will allow these actions to be accelerated.

Investment opportunity for shareholders
Recent offer letters were sent to shareholders inviting all shareholders to subscribe for shares under the Global Seafood Share Purchase Plan. The Plan offer enables shareholders to participate in the Company's growth at a discount to the prevailing market price. I strongly encourage all shareholders to join with industry allies, directors and staff and take advantage of this offer by applying for shares under the Plan. In this way too, shareholders who have supported the Company through the difficult times have an equal opportunity for future benefit.

If you would like to participate under the Plan offer, I encourage you to complete and return the application form attached to the Plan offer letter before the closing date of 31 December 2002. I also encourage you to either attend the General Meeting and vote in favour of the resolution relating to the Plan or if you are unable to attend the meeting to forward your proxy in support.

Other capital raising strategies and the 18 December 2002 General Meeting
Prior to the AGM your Board raised capital with a placement of shares to key strategic industry allies. This was important not just for securing additional capital, but for providing a platform for future opportunities and growth.

As previously mentioned, we are also seeking shareholder approval for additional capital raising from additional industry allies, directors and staff. I believe this proposal demonstrates each investor's confidence in the company and will provide a basis for their ongoing commitment in the future.

On behalf of the Board, I urge you to support all proposals at the General Meeting on 18 December 2002.

Responses to questions raised at the recent AGM

At the Annual General Meeting of the company on 19 November 2002, some questions from shareholders were put to the Board about the performance and the future direction of the company.

Because of the detailed and lengthy nature of these questions I undertook to provide all shareholders with more specific answers in writing. I am now pleased on behalf of the Board to provide that additional information. It is set out in the attachment to this letter.

Keeping on track

As stated in the Annual Report, Global Seafood has very strong future prospects. I am confident that we have the team, the strategies and the determination to met the challenge. We will now all continue to focus on the key tasks and strategies to be implemented.

On behalf of the Board, I would like to thank all shareholders for their continued support of the company and encourage all shareholders to participate in the Global Seafood Share Purchase Plan and attend and vote at the General Meeting on 18 December 2002.

Your sincerely,

Denis Loaney
Chairman
GLOBAL SEAFOOD AUSTRALIA LIMITED

Attachment: responses to 2002 AGM questions

Answers to most questions raised by shareholders at the Annual General Meeting (AGM) were dealt with in the company's 2002 Annual Report dispatched to shareholders in October. A summary of the Board's strategic plan for the company in 2003 and beyond was included in the Annual Report. In case you have not kept copies, the Annual Report and our outline of the strategic plan are available from www.asx.com.au or the company's website, www.globsea.com.

However, to ensure open and comprehensive responses to all issues raised, the following detailed information is provided to all shareholders.

1. Financial position

One shareholder at the AGM raised a question in relation to the company's solvency. In response, it is clear that the company is solvent and the Directors are confident it will remain so. The company has had the full and ongoing support of its bankers and have every reason to believe that this will continue.

Details of the company's borrowings in the form of loans and overdraft facilities were set out on page 35 of the company's financial statement in the 2002 Annual Report and were also released to the market on 30 October in the company's quarterly report.

By way of background however, the Board restructured the company's working capital loan facilities with its Bank in June 2002 to take account of the company's seasonal cash-flow requirements. The loan facility available to the company from the Bank ranges from a maximum of $7.601 million during the peak prawn season to a minimum of $3.1 million during the off season.

In keeping with the requirements of this facility, the company repaid $500,000 to the bank on 1 October 2002 and over the next 3 months the company will repay a further $3.9 million from funds which become available from the seasonal run down of debtors and inventory. This will result in the company's debt being reduced to $3.1 million by 1 February 2003. Over the succeeding months it will rise again to its maximum level of $7.601 million.

Funds raised under the current capital raising initiatives being undertaken by the company, including the issue of shares to shareholders under the Global Seafood Share Purchase Plan, will be used to replenish the company's capital consequent upon its loss in the 2002 financial year and will provide the company with additional working capital to allow it to trade more actively.

2. Reasons for loss in 2002

As advised in the Annual Report (page 9), much of the loss in 2002 was due to production delays and problems with customs approvals in relation to the prawn operations commenced in China and Thailand in October 2001.

The prawn operations in China and Thailand were unsuccessful. Ultimately, the prawn products were not available for the 2001/2002 Christmas trade period and as a result the Company made an operating loss of $2,026,174 for the financial year ended 2002. This was the first time in over 20 years that the Company made a loss and was very disappointing.

Since the experience in China and Thailand, the new Board has realigned the company's focus on the company's core business operations. The company's core businesses are international exports, supply to national wholesale markets (with a focus on Sydney, Melbourne, Perth and Brisbane) and state-wide distribution of fresh and frozen seafood to supermarkets and restaurants.

One of the flow-on effects of the loss from the cooked prawn initiative was that it tied up a significant portion of the company's working capital resulting in the company being unable to make key purchasing decisions during peak buying periods. This in turn impacted on the company's profitability. New injections of capital will progressively reduce this problem.

With the continued support of our bankers and the injection of new capital from the capital raising initiatives, the company will be able to put these problems behind it.

3. New Capital Raising Initiatives

The first stage of the company's capital raising initiatives was put into effect on 31 October 2002 with the placement of 2.1 million shares to key strategic allies.

The Board is extremely positive about these placements. As an example, one ally, Mr Alan Wu is the manager of Aqua Star Pty Ltd. Aqua Star is a Melbourne based seafood company, importing seafood from Asia and New Zealand and has factory operations in China and Indonesia. Aqua Star's business is not in direct competition with the company. Strategically the Board believes that there will be significant advantages in forging a closer relationship with Wu and Aqua Star through increased access to export markets and increased product range for the Company's domestic distribution businesses.

Additional capital raising proposals were announced by the Chairman at the AGM. These capital raising initiatives will be put forward for shareholder approval at the general meeting of shareholders on 18 December 2002.

If approved by shareholders at the December general meeting the Company will make a placement of 500,000 shares to Western Pacific to raise $100,000. Western Pacific is part of the Warren Markwell group which has retail, wholesale and factory operations in Queensland and Northern New South Wales. The company also looks forward to the development of a strong relationship with Warren Markwell. The development of this relationship will provide an opportunity for the company to strengthen its processing capacity and increase its factory throughput.

The placement proposals for directors and staff and a top-up offer to all shareholders are important for building the financial and strategic capability of the company.

4. Individual performance for each division for 2002

Information on the individual performance for each division for 2002 was set out in the Annual Report (see page 7). In summary:

- revenue from exports in 2002 totalled $28 million which was a 4% increase from the previous year;
- revenue from the national wholesale division totalled $12 million which represented a 20% decrease from the previous year. A contributing factor to this decrease was the experience in China and Thailand which placed a limit on the amount of working capital available to the Australian operations;

- revenue from the company's state-wide distribution totalled $13 million which was a decrease of 13% from the previous year. Again, this decrease was due in part to the same lack of working capital.

The impact of the international operations on the 2002 results were set out on page 9 of the Annual Report. The failure of the Asian business markedly impacted on local revenues as key staff were diverted overseas during the production period from October to December of 2001, traditionally the company's busiest time of the year.

5. Imported cooked prawns in stock as of 30 June 2002.

As at 30 June 2002, the company had just over 222 tonnes of imported cooked prawn product in stock which remain from the aborted China and Thailand operations. The company is (on terms and conditions which are commercially confidential) quitting this stock in an orderly way so as to maximise the return. Over two thirds of this stock is now sold and we expect the company to have disposed of all of this stock by the end of 2002 within the provisions allowed.

6. Cuts in operation costs

Steps have been taken to make substantial savings in overhead expenses in 2003.

As stated in the Annual Report, for 2003 estimated savings of approximately $500,000 are estimated to be made in salaries, on-costs, motor vehicle expenses (through reduction in the number of trucks), rental expenses through renting part of the company's facilities to a third party and closure of the company's Yeppoon operation.

7. The Board and the company's strategic plan

The company's Board was completely restructured following the retirement of James Lu, the company's managing director, and the non-executive directors during the year.

The new Board has an excellent blend of experience and skills with expertise in corporate restructuring, strategic planning, capital restructuring, marketing and business management. The new Board believes that the mix of three non-executive directors and two executive directors will ensure the highest level of corporate governance is maintained.

The Board has developed and is implementing a strategic plan for 2003. An outline of the strategic plan was dispatched to shareholder with the Annual Report for 2002.

The key strategic goals for 2003 are as follows:

- Making Global Seafood the number one brand in target markets.
- Developing sustainable profitable operations.
- Improving financial strength.
- Developing new strategic capabilities.

For example, as part of developing new strategic capabilities the Board will focus on developing contract processing for farmed prawn products and implementing value adding strategies. Contract processing for frozen and fresh products will commence in 2003.