Global Seafood Australia Limited

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PROCESSORS – IMPORTERS – EXPORTERS – WHOLESALERS – DISTRIBUTORS

Dear Shareholder,

SHAREHOLDER UPDATE

Global Seafood is committed to keeping you informed regarding all key matters affecting your company. Some of the current matters are listed below.

1. Hostile Takeover Bid

To date the company has received no formal bid, nor any further approaches from Sams Seafood regarding this matter.

While a formal bid is expected soon, based on the existing intended offer your Board does not anticipate a bid which reflects the true worth of the company. The proposed price is below the current market price and significantly below the Net Tangible Asset Value expected to be shown in the end of year accounts.

Your Board will provide further advice on this matter next month, but strongly recommend no action be taken at this time.

2. Accounting Policy

In line with international accounting standards, the Global Seafood Board has decided to write down to nil the value of intangible assets for the 2002/2003 financial year. The intangible assets being written down are goodwill and brand values.

The effect of this decision will mean that trading profits in the future will not be depressed by amortization charges which in 2003/2004 Financial year would have been approximately $315,000. The write-downs for this year total $5.542 million. This is a prudent accounting policy to adopt. We have made an announcement concerning this write down to the Australian Stock Exchange (ASX).

This write down has absolutely no effect on our cash or operating position or on the net tangible asset value of the company. Our capacity to pay future dividends to shareholders also remains unchanged.

3. Ongoing business initiatives

Despite the challenges of the last financial year, including SARS, exchange rates and market slumps in our key markets, the company continues its redevelopment.
Your company posted a net positive cash flow for 2002/2003, established new markets, significantly cut operating costs and generated new initiatives such as the soon-to-be-opened tuna wharves.

In addition, our business outlook is steadily recovering. The financial year to date has delivered both revenue and results ahead of budget.

We are quietly positive about the future, particularly given the recovery of export markets previously affected by SARS and our success in securing new export markets. This includes our recent first shipments of frozen seafood to Greece and Italy.

4. Protecting your interests

Since the new Board commenced about 12 months ago, all of the Board, Management and Staff have worked extraordinarily hard to stabilise and restructure your company.

Despite the unnecessary additional costs of matters such as hostile takeover bids, the team remain firmly committed to protecting shareholders interests and growing the company to its future potential.

Yours sincerely,

DENIS LOANEY
Chairman