

STATEMENT FROM SI RE OUTCOME OF COURT CASE:

Seafood Innovations has succeeded with its very lengthy and difficult litigation whereby, as of June 30 2011, Richard Bass and Richard Bass Pty Ltd are unable to manufacture and/or sell RB-6 MT-5 machines, or any future machines made by Mr Bass or his associated companies, which infringe the Australian Innovation Patents for its fish stunning devices.

The Full Court of the Federal Court of Australia has upheld both of the Australian Innovation Patents The findings of the three appeal judges is attached as a scanned copy on our website.

Bruce Goodrick Managing Director of Seafood Innovations, (SI) said that this is a big relief after more than 3 years of uncertainty both in the market and for his business. Firstly because the action is finally over and secondly because it upholds SI's right to protect the technology it developed. He said it was a very difficult decision to accept the advice of our legal, IP and business consultants to proceed with this case. The alternative was even less desirable, and that was to walk away and indicate to all, a lack of will to protect the technology and the vision that we developed.

I thank all long standing customers, suppliers and individuals, who have supported our efforts with their ongoing loyalty, their time and their resources and support which has assisted us greatly in establishing the advanced harvest systems that we now manufacture, sell and install.

SI uses patent protection to allow the opportunity to recover the very expensive development costs of its Intellectual Property and to provide the ongoing funding that needs to be invested in technology which improves harvest practices, enabling the demand for more economic, efficient and increasing upgrade of standards for quality and welfare.

As part of its International Intellectual Property protection portfolio, Seafood Innovations has already been granted or has pending patents that have claims that are effectively identical to Australian Patent number 2006100980 in various countries including Norway, Canada, USA, New Zealand, the Euro Block and the UK.

Mr Alastair Smart, a key technical consultant in this field and expert witness in the SI case said that, "10 years ago at Marine Harvest in Scotland, approximately 50 staff manually clubbed around 10 million fish each year to ensure the fish were killed as quickly and humanely as possible. However, many of these workers suffered upper limb and other injuries from this process and fish were not always accurately clubbed, thereby compromising the welfare objective". The introduction of the first simple mechanical stunners by SI eliminated any further injuries to the operators and paved the way for the development of the automated systems of today where fish swim in to the machines and are instantly and permanently stunned without being handled or stressed. This development is world leading edge technology in comparison to many alternative animal production industries.

Noel Carruthers, Business Manager for SI said that it was frustrating for SI's management and staff to watch its developments being duplicated in the guise of "different" machines. In spite of the infringements of Seafood Innovations Australian Patent rights as found by the court and the sustained personal attacks on Mr. Goodrick by nasty E mail and other campaigns by our competitors Seafood Innovations has maintained and advanced it's leading edge technology with the success of its launch of the latest generation of SI-7 stun and bleed machines, which provide exceptional cost-benefit and efficiency.