

Media Release

1 July 2009

Australian Bight Abalone Limited

On 1 July 2009 Sam Davies and Tony McGrath, partners of McGrathNicol, were appointed as joint and several Voluntary Administrators ("Administrators") to Australian Bight Abalone Limited and its subsidiaries ("ABA Group") today.

The ABA Group manages investments on behalf of both retail and wholesale investors in four projects farming greenlip abalone in the waters of Anxious Bay near Elliston, South Australia.

Control of the business and assets of the ABA Group now rests with the Administrators.

Mr Davies said that "the directors had resolved to appoint administrators on the basis that the ABA Group had only received applications sufficient to meet 15% to 20% of the ABA Group's costs and would not be able to meet its liabilities as they arose during the 2010 financial year, without further funding."

"A lack of certainty in the viability of the MIS model and the recent collapses in the sector appear to have influenced the level of this year's applications" Mr Davies said.

The ABA Group is the nation's largest offshore abalone operation and the largest employer in the rural township of Elliston on the Eyre Peninsula of South Australia. "Clearly, the appointment of administrators and the local concentration of employment will have a significant impact on the town", Mr Davies said.

Our immediate focus is to work with the key stakeholder groups, being the growers, employees, suppliers, the Elliston Community, Federal and State Government regulators, EPA, shareholders and management to confirm the financial position of the ABA Group. This will include urgent viability assessments of the projects and discussions with parties interested in a sale of the business or contributing new equity to the Group, Mr Davies said.

Further updates will be made available via the Australian Bight Abalone website:
www.australianbight.com.au

McGrathNicol is a premium boutique independent advisory firm specialising in Corporate Advisory, Forensic, Transaction Services and Corporate Recovery. McGrathNicol has 30 partners and approximately 320 staff with offices in all major Australian cities.

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