Appendix K
Stakeholder Consultation Document

THE WORLD'S MOST LOVED SALMON

Dear Bruny Island resident,

Huon Aquaculture intends to begin farming within our currently unused lease site on the east side of Bruny Island in Trumpeter Bay soon.

Until now, we have been unable to farm the lease as we have not had the infrastructure to safely farm in Storm Bay. As a result of significant innovation and investment we are now in a position to commence farming at the site safely.

Our plan is to place five pens on the existing lease in Trumpeter Bay in September this year. This will in effect be a "mini-lease" which will allow us to undertake rigorous monitoring and testing of our infrastructure and systems in a production setting.

We will also be applying to the Tasmanian Government shortly to split the existing lease into four smaller leases and move them further out from shore.

Our company is in the process of revolutionising the way we farm fish with sustainability at the core of everything we do.

Included in this letter is a brochure on our future vision as well as information regarding our operations around Bruny Island.

Your views are important to us and we welcome your feedback. Please contact me on 6295 8139 or at jgallichan@huonaqua.com.au if you have further questions or would like additional information.

More information on our operations can be found on our website, www.huonaqua.com.au and our Sustainability Dashboard, www.dashboard.huonaqua.com.au.

Sincere regards,

Jane Gallichan
Corporate Affairs Manager, Huon Aquaculture

THE FUTURE OF FISH FARMING

Peter & Frances Bender

We are proud salmon farmers and since we established Huon Aquaculture in 1987, our business has grown to become Australia's signature producer of salmon. We're recognised around the world for the quality of our salmon and the ingenuity of our operations.

We are an ethical business, a respected Tasmanian brand, part of a sustainable industry and a company that is focussed on the safety of our employees, the welfare of our fish and the wildlife around our farms.

Being responsible and caring members of our community is important to us because we are part of that community as well – we have raised our family in the Huon and continue to live and work here.

To continue to grow responsibly and remain at the forefront of our industry we must constantly improve. Right now, we are poised to make substantial advances in our farming operations as we grow our business. We hope that this brochure provides you with an understanding of what we're trying to achieve and how we are working towards achieving it.

The six principles that have guided our planning are:

1. Increasing production responsibly and safely
2. Improving the health and welfare of our fish
3. Improving safety for our workers
4. Reducing our environmental footprint
5. Continuing to positively participate in the community
6. Producing world-class salmon products in Tasmania

We are 100 per cent committed to investing in our business and the communities we are part of to achieve our aims.

WHAT ARE WE CHANGING?

To meet market demand means we need to do things better, more efficiently and with less impact on the environment. New technology, improved information and knowledge, coupled with a strong desire to be a world leader in farming practices as we grow our business sustainability and to reach our goals, we will:

1. Install new seal and bird-proof pens across our entire operations including increasing the size of some pens and reducing the total number needed
2. Change some of our lease locations to more environmentally appropriate farm sites that will also be further away from residences along the river
3. Install new barge-based feed systems that will match our existing world-leading feed technology that will efficiently and safely feed our fish at our off-shore sites
4. New methods of servicing our pens that will significantly reduce the amount of boat traffic in and around our farms
5. Increase our hatchery capacity to provide salmon for our unused leases in Storm Bay

WHAT WE ARE NOT CHANGING?

Equally as important as what we will change, is what we won't and that is particularly true in the case for the Huon and Channel.

Did you know that for the Huon and Channel:

1. Huon will not grow any more fish than it does currently
2. Huon will not increase its total lease area
3. Huon will not use any more feed than is currently used

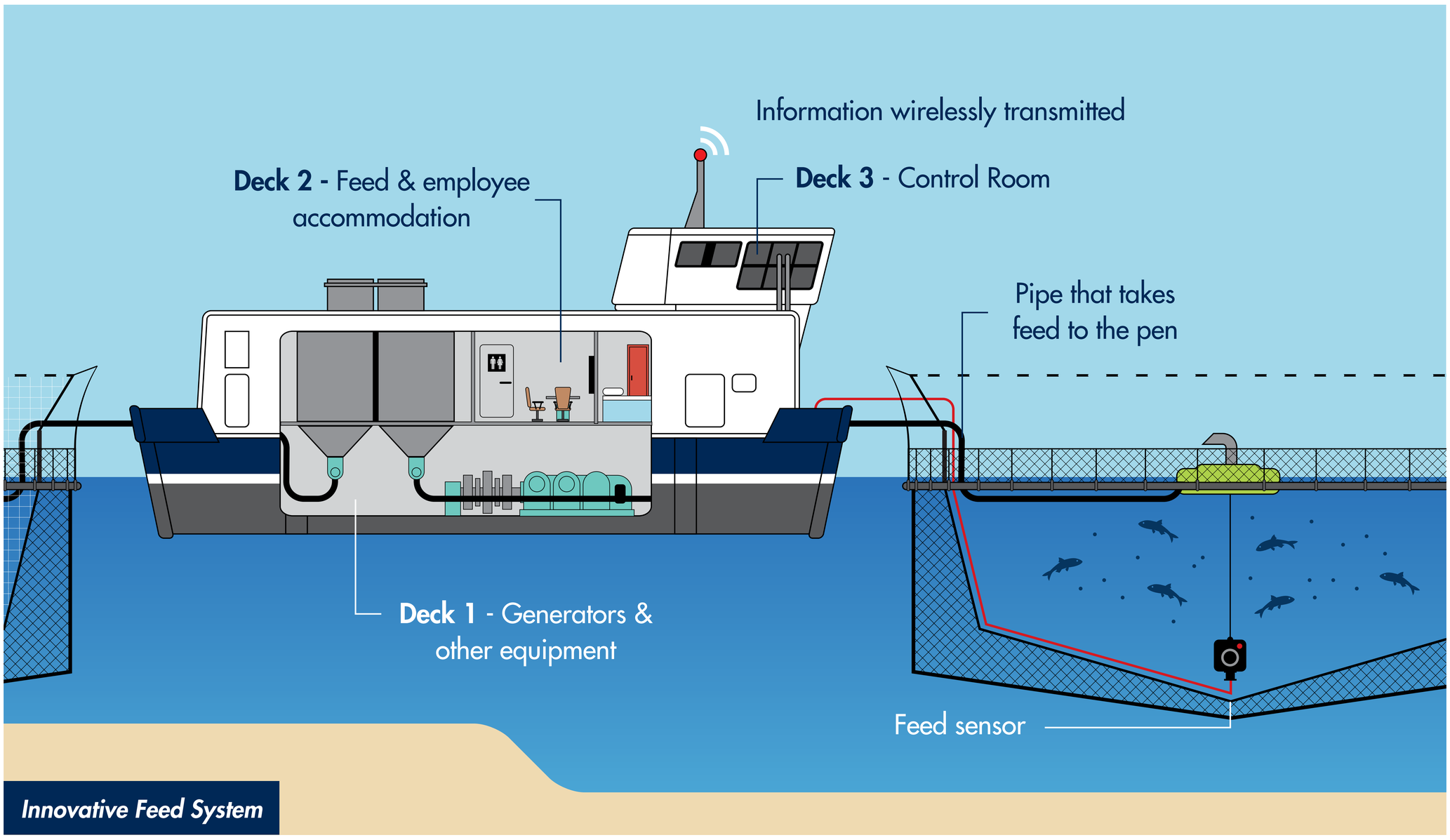
Each element of our plan is co-dependant on the others. That means, they must operate simultaneously for the whole farming system to work.

The changes described in this brochure will be implemented throughout 2014 and 2015.

For more information, please visit **huonaqua.com.au**
phone **03 6295 8111** or email **jgallichan@huonaqua.com.au**

HUON TASMANIA

FEED SYSTEMS



Innovative Feed System

Huon is well known across the salmon farming world for our focus on feeding our fish adaptively. This means that the fish choose when and how much they want to feed.

Our current Hopper based AQ1 Systems are one of the key technologies we use to deliver feed adaptively to our fish. Whilst these systems are ideal for feeding in inshore pens, the challenge for us in the years to come is to provide the same level of accuracy and flexibility in our offshore leases.

In planning our development of the offshore leases we have developed the most innovative feed delivery and management system anywhere in the world.

The new system is made up of a series of feed barges that will be permanently located at leases and which will each feed up to 16 pens of fish adaptively.

In common with our inshore feed systems, the new state-of-the-art barges are being built here in Tasmania. They will lead the industry in safety, comfort, feeding technology and efficiency.

WHAT ARE THE BENEFITS OF THE NEW FEED SYSTEM?

Reduced noise from reduced feed-boat traffic: The installation of the new feed barge system is expected to halve the current amount of feed boat traffic. When coupled with the pens being moved further away from shore, this represents a significant reduction in feed boat traffic noise – particularly at key times such as dawn and dusk.

More Efficient Feeding: The new barges are filled in a single trip from a large vessel and will hold at least one week's food. All the machinery to measure and transport the food out to the fish is kept in a stable, dry space below deck rather than exposed to the elements.

Improved safety for workers: The new barge system provides a safer work environment and allows our experienced fish feeders to focus on feeding the fish rather than maintaining the feed hoppers. The more robust technology of the new feed system means that there is less physical impact on workers (less strenuous work) and that the skill and experience of older workers can be retained in feed roles.

For more information, please visit **huonaqua.com.au**
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HUON TASMANIA

BENEFITS OF THE FUTURE FARMING SYSTEM

WHAT ARE THE BENEFITS?

The major changes to our farming practices come with significant benefits for the environment, the local community, our workers and our business. We have summarised the key benefits for you here but also encourage you to read the entire brochure that describes the specific benefits of each element of our farming improvements.

ENVIRONMENTAL BENEFITS

Operating responsibly within our environment is paramount to the success of Huon. Our fish are the best indicator of environmental health and if we fail to respect this, then we won't be able to grow superior and sought-after salmon.

An independent Institute of Marine and Antarctic Studies (IMAS) broad scale environmental monitoring program report recently found that our farms in the Huon and Channel are having "no significant or adverse environmental effects (on) the water quality or sediments" – Colin Buxton, IMAS Director.

However, new technology and improved understanding of the marine environment means that our proposed changes to lease locations places them in more environmentally appropriate sites.

DID YOU KNOW?

The lease amendments seek only to relocate our pre-existing marine farming lease area and do not increase Huon's total marine farming lease area or the amount of fish we'll grow

What that means is;

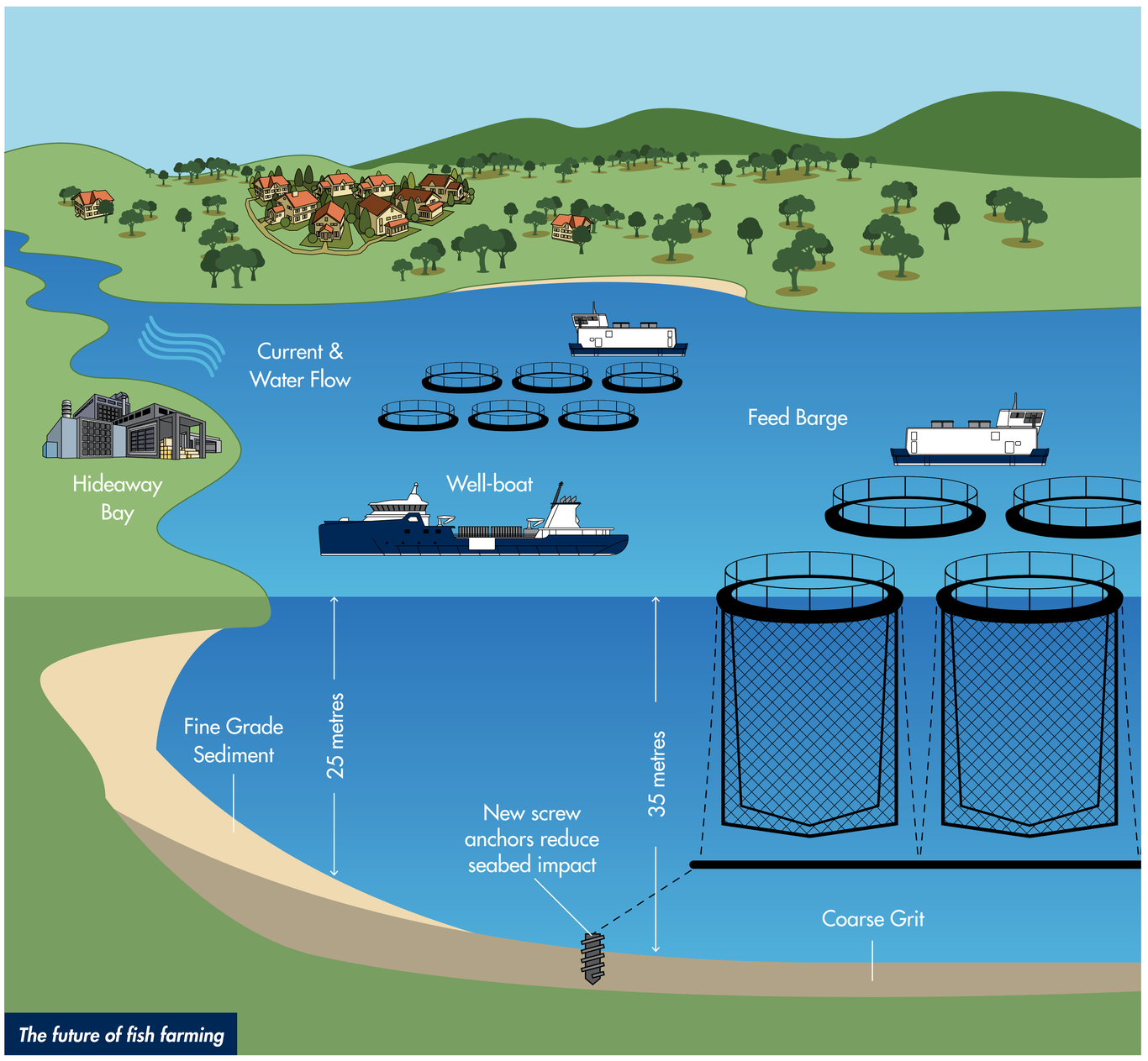
1. Greater water movement provides better conditions for the fish
2. The coarser grit sediment under the pens is better oxygenated which means that any nutrient load (organic matter) is broken down more quickly. The sea bed can easily deal with organic enrichment from our farm operations
3. The different ecology (animals and food webs) of the control sites means that any organic matter is naturally processed more quickly and easily

Overall, this means that the new off-shore sites will better support the same farming activity as the in-shore sites. That's a great outcome for the environment.

Huon has also been actively working to reduce marine debris at source. From placing bins on all vessels, using stronger or different equipment as well as employee education. Unfortunately, strong winds and sea weather means we will never be able to entirely eliminate debris however the changes we are making on the farm will see marine debris continue to decrease. Please read the section on "Revolutionary New Pen Design" for further information.

COMMUNITY BENEFITS

A successful salmon industry brings many economic and social benefits to the region through employment, flow on benefits to local businesses as well as local community investment through grants and sponsorships, donations and generally through participation. Like any responsible local company, we want to strengthen and improve what



The future of fish farming

we do and to be active participants and contributors to the communities we're part of. The changes to our farming practices will deliver significant community benefit in a variety of ways;

INCREASED EMPLOYMENT OPPORTUNITIES FOR LOCAL PEOPLE

Huon currently employs around 460 people which is likely to continue to increase as we grow our operations. Huon will continue to provide attractive salary and benefits to employees to encourage them to live, work and raise their families in the region.

Huon will continue to work with local schools, Registered Training Organisations (particularly Seafood Training Tasmania) and other education institutions as part of its Workforce Development Plan.

DID YOU KNOW?

Huon has set a target of 75 per cent local employment as part of the controlled growth plan in Southern Tasmania.

MORE OPPORTUNITY FOR LOCAL BUSINESSES

Wherever possible, Huon uses local businesses. Huon currently spends more than $20 million each year with local businesses in Southern Tasmania. We remain committed to sourcing goods and services locally, wherever possible and will continue as we grow our operation.

REDUCED BOAT TRAFFIC AND SOUND FROM THE FARM

The combined effect of our farming changes will result in a substantial reduction in river traffic and therefore sound generated from farm boats. We use a variety of vessels to perform specific functions on the farm. We will always need to travel to and from the pens as well as transport fish and equipment. However, we expect that we will significantly reduce the overall traffic in and around our farms.

Please read the sections on the well-boat and feed system for details on how boat traffic and sound will be reduced. The result for the community will be a noticeable reduction in overall river traffic from farm operations.

DID YOU KNOW?

Tow boat traffic is expected to decrease by almost 90 per cent.

LESS VISIBLE FARMING OPERATIONS AS WE MOVE OFF-SHORE

The Huon and Channel have always been "working" waterways – whether for forestry in the earliest days, or for the transport of apples up until recent times, for commercial fishing as well as for fish farming.

Whilst many local residents enjoy the visual interest of our farms, we also accept that it is not all residents' preference. By moving our leases off-shore, they will be less visible from the land by the local community and we believe this strikes a happy medium with both views.

For more information, please visit **huonaqua.com.au**
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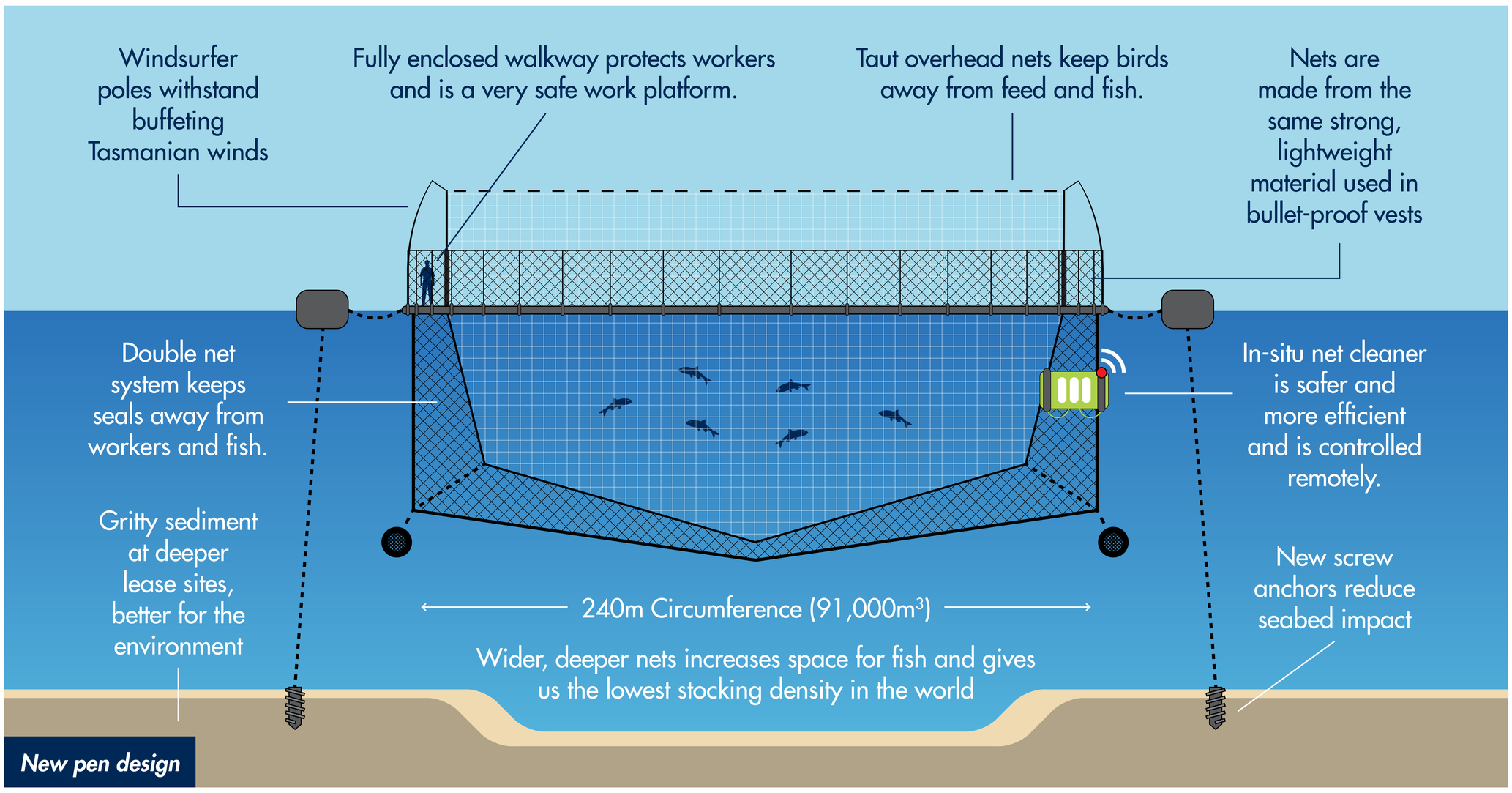
HUON TASMANIA

REVOLUTIONARY NEW PEN DESIGN



Our new seal and bird-proof pens are being rolled out across our farms in Southern Tasmania right now and we expect the roll-out to be completed in 2015.

The new pens are a world first in seal protection that will deliver unparalleled safety improvements – for farm workers, for seals, for sea birds, and for the salmon they protect.

We're investing over $40 million in the new pen system and we are extremely proud that it has been designed, tested and produced by our employees, and built locally.

Huon will use the new pen design in two standard pen sizes – a 168m circumference pen and a new 240m circumference pen. Existing 120m circumference pens will be phased out and recycled as material for the new pens.

Our new pen sizes mean that fewer are required and the stocking density of salmon will be greatly reduced. The new pen size creates more space and provides more oxygen for the fish.

WHAT ARE THE BENEFITS OF THE PEN CHANGES?

Fish health and welfare: Stopping seal interaction with our fish eliminates fish stress, injury and loss. Lowering our stocking density provides our fish with maximum oxygen and an ideal environment to thrive.

Wildlife safety: Seals are prevented from entering the pens which means that seals are unable to become trapped. The net design and material discourages birds from resting on the pens and prevents them from accessing fish feed reducing the likelihood of bird entanglements.

Reduced environmental impact: Waste from the fish in the larger pens is dispersed over a bigger area making it easier for the environment to naturally "process" it.

Employee Safety: The flat, enclosed walkway of the new pens provides a safer and more stable work platform for farm workers particularly in bad weather. Seals are also unable to access the walkways, reducing the likelihood of aggressive seals interacting with employees.

Marine debris: Marine debris will be reduced through in-situ net cleaning. Pens will not be dismantled for cleaning which in turn reduces the opportunity for marine debris to be created, as well as this less rope used in new pen design reduces potential for rope to be lost from the pen. The new pens also have a greater ability to cope with extreme weather which means that debris caused by weather is expected to reduce.

DID YOU KNOW?

Huon will continue to have a significantly lower stocking density than anywhere else in the world.

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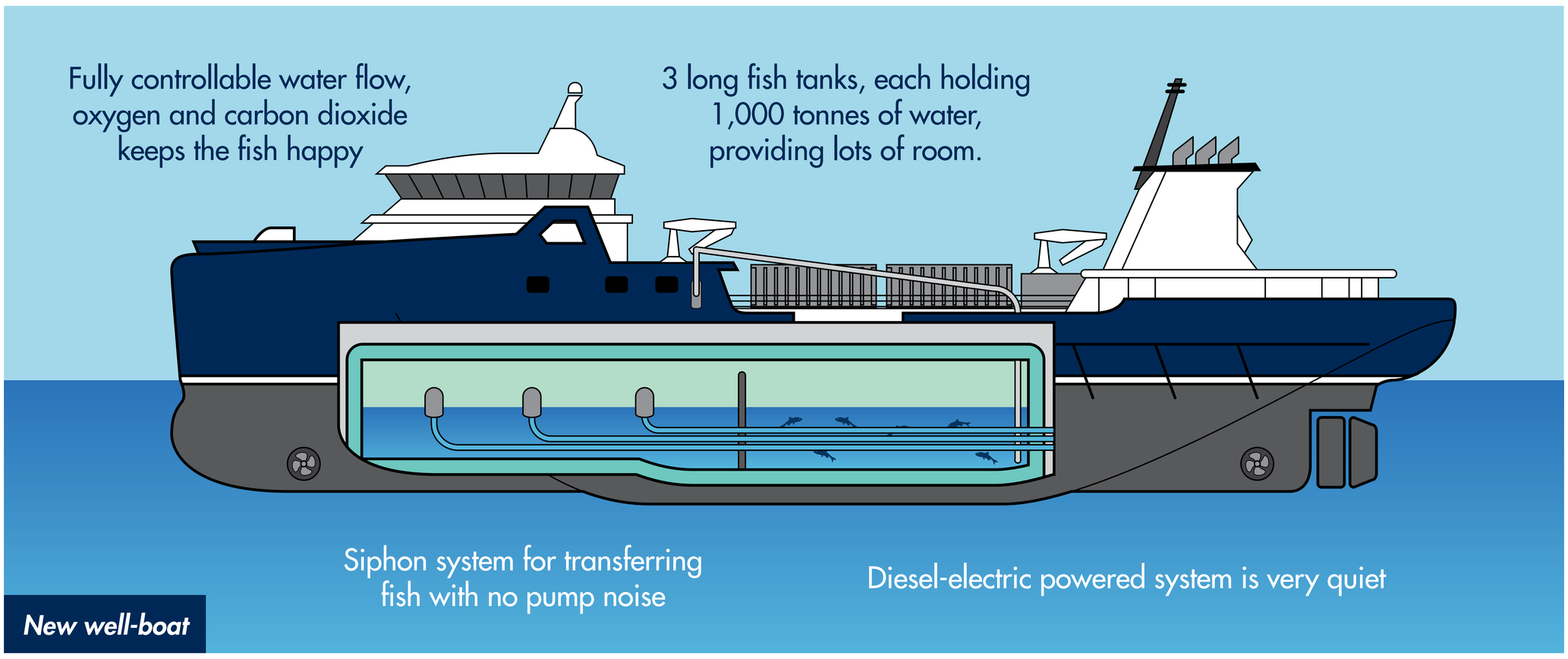
HUON TASMANIA

WELL-BOAT



New well-boat

In the future, Huon will use a large well-boat to undertake a variety of functions around the farm. It will be the only one of its kind in Australia and will provide significant benefits for both local residents and us. Over time, the towing of pens will virtually be eliminated through the use of the new well-boat.

The new well-boat will be operational in September 2014 and it will commence by undertaking two major functions:

1. Bathing fish

Tasmania is a unique environment when it comes to salmon farming. The relatively high water temperatures promote the settlement on the gills of Amoeba, a single celled microscopic animal. The Amoeba multiply and reduce water flow at the gill surface that can limit oxygen supply to the fish causing lethargy and, if untreated, death.

Bathing fish in fresh water cures the salmon of amoeba and the salmon are happy in either freshwater or seawater.

Currently, fresh water to bathe the salmon is towed in a liner within a large pen out to the salmon holding pens. This is typically done by tow boats at very slow speeds so that the water does not spill out of the liner and to stop salt water washing into the liner.

The low pitch of the tow boats and the long duration of the tows can cause annoyance to some residents that live along the shoreline near where we farm.

Currently, a tow boat passing a point is audible for 3 nautical miles or for 2 hours. The new well-boat will be audible for just 15 minutes or a reduction of 87.5 per cent of audible sound.

The well-boat will be able to travel in the designated navigation channels which will take it further away from residences, making the sound of the well-boat softer still.In addition, the new well-boat will eliminate 1,125 tows for the purpose of bathing each year whilst being able to bathe more fish more often.

2. Transporting fish to harvest facility

Harvest fish are currently towed in pens from our leases into our harvest facility at Hideaway Bay.

By moving harvest fish in the new well-boat, a further 75 tows per annum should no longer be needed.

The new well-boat will move fish at approximately 12-14 knots compared to the 1-2 knots used by tow boats for a distance of around 7 nautical miles for towing harvest fish. That translates to 30 minutes in the well-boat as opposed to 4.5 hours for a conventional pen tow, which is almost a 90 per cent reduction in time.

BENEFITS OF THE NEW WELL-BOAT

Reduced noise from tow boats: It will be quicker at performing a variety of tasks and be out of sight within half an hour of appearing – there will be around 90 per cent reduction in tow sound.

The sound will also be less intrusive due to the pitch of the vessel's engines.

Reduced stress on fish during bathing: The new well-boat will make the process of bathing far less stressful for fish, thus improving their welfare.

Improved safety for workers: It will provide a safer working platform for workers undertaking bathing operations during adverse weather – particularly as we move to higher energy sites off-shore.

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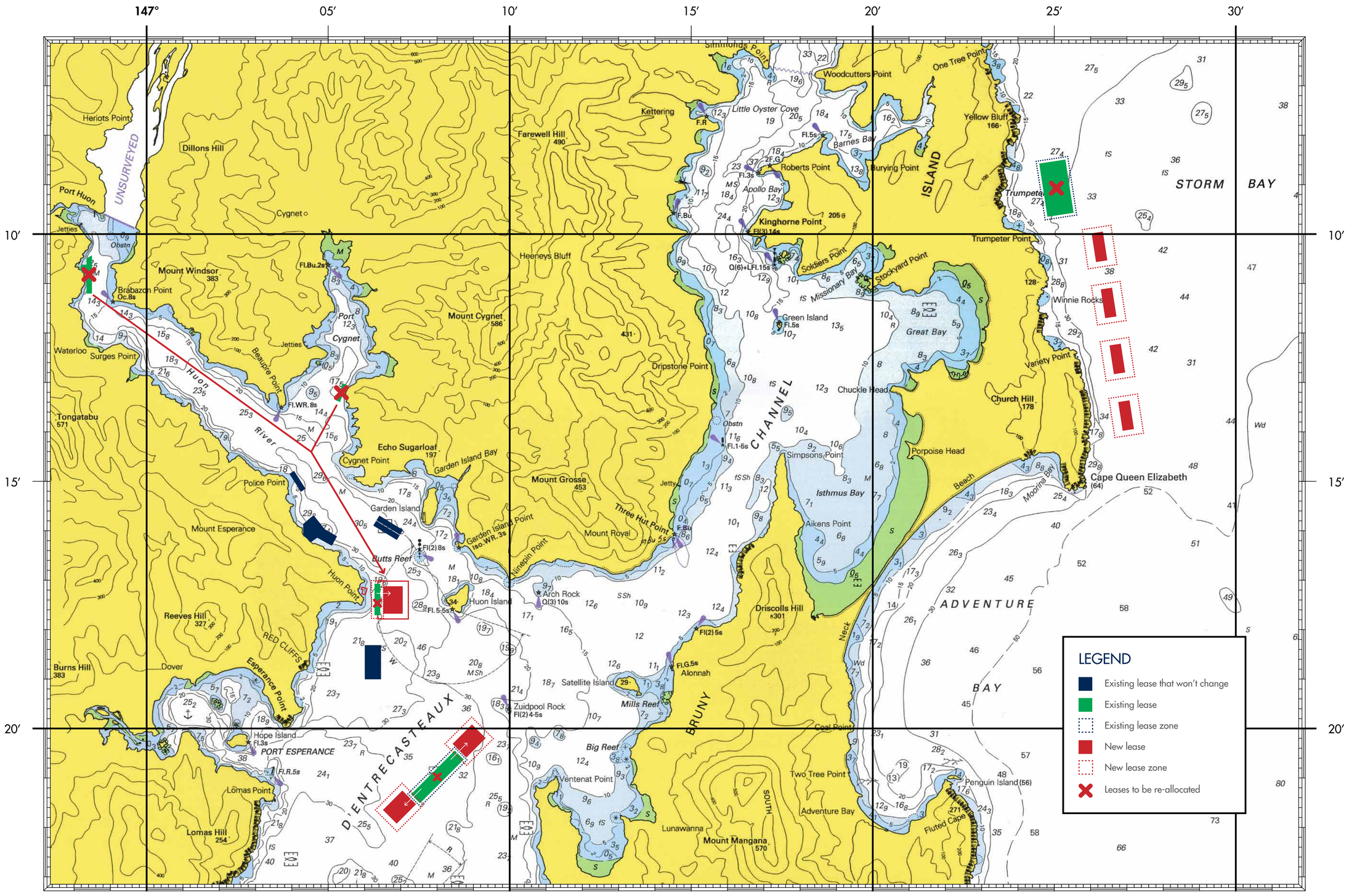
HUON
TASMANIA

LEASE LOCATIONS



DID YOU KNOW?

The lease amendments seek only to relocate our pre-existing marine farming lease area and do not increase Huon's total marine farming lease area.

The second phase of our strategic plan is to move leases to more appropriate sites. We are proposing to move leases further out to deeper sites to accommodate the new pen design and reduce the overall impact on the environment by locating them in more environmentally appropriate locations.

WHAT ARE THE BENEFITS OF THE PROPOSED LEASE CHANGES?

Fish health and welfare: The deeper, higher energy (wave and wind) sites mean that pens will be located in areas with stronger currents and greater water movement. This results in more oxygen, less carbon dioxide and reduced ammonia which is much better for the fish and the environment.

Reduced environmental impact: The changes to the proposed leases place them in more environmentally appropriate locations. What that means is:

1. Greater water movement provides better conditions for the fish
2. The coarser grit sediment under the pens is better oxygenated which means that any nutrient load (organic matter) is broken down more quickly
3. The different ecology (animals and food webs) of the sites means that organic matter is processed more quickly and easily

Overall, this means that the new off-shore sites will better support the same farming activity as the in-shore sites. That's a great outcome for the environment.

Reduced visual and noise impact on the community: By moving our leases off-shore, they will be less visible from the land by the local community and the sound of boats will be less as boat traffic will both decrease and be further away from shore.

Improved biosecurity: By moving individual leases further away from one another and from our leases, we are future-proofing our farms and improving biosecurity.

For more information, please visit **huonaqua.com.au**
phone **03 6295 8111** or email **jgallichan@huonaqua.com.au**

HUON
TASMANIA

THE WORLD'S MOST LOVED SALMON

Monday, January 16, 2017

Dear Bruny Island Resident,

As you may know, Huon has four marine farm leases off the eastern shore of Bruny Island between Trumpeter Point and Cape Queen Elizabeth (adjacent to Murrayfield Station). We are now currently preparing to submit an amendment to the Storm Bay off Trumpeter Bay Marine Farm Planning Area.

The purpose of the amendment is to seek an additional lease to the north of the existing leases. We have learnt a great deal from our move into off-shore farming over the last two years and the additional lease will provide a more sheltered location for our young salmon when they first go to sea, thus protecting them from the high-energy and very exposed nature of our leases further south.

In addition, Huon intends to also slightly increase the existing leases to ensure that all equipment remains within the lease. This is also something we have learnt from our early efforts in off-shore farming. The increase to the existing leases will not change the amount of pens or production, it is simply to ensure that we can keep all equipment inside the lease at all times in very rough weather.

I have enclosed an information sheet with this letter to provide more detail on our plans and we would welcome any feedback you may have on our proposal. Please contact me on 6295 8111 or at jgallichan@huonaqua.com.au if you have further questions, would like additional information, or to meet with me.

Additional information on our operations can be found on our website, www.huonaqua.com.au and our Sustainability Dashboard, www.dashboard.huonaqua.com.au.

Sincere regards,

Jane Gallichan
Corporate Affairs Manager

Huon Aquaculture Company Pty Ltd ABN 86 067 386 109

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THE FUTURE OF FISH FARMING

HUON
TASMANIA

Huon Aquaculture co-founders Peter and Frances Bender

We are proud salmon farmers and since we established Huon Aquaculture in 1986 our business has grown to become Australia's signature producer of salmon. We're recognised around the world for the quality of our salmon and the ingenuity of our operations.

We are an ethical business, a respected Tasmanian brand, part of a sustainable industry and a company that is focussed on the safety of our employees, the welfare of our fish and the wildlife around our farms.

Right now, we are setting a new standard for salmon farming in Tasmania. It is our view that our move to offshore farming will be a step-change for our industry that benefits the environment and all users of our shared waterways.

You may already know that between 2014 and 2015 Huon completely changed the way we farm. We replaced every single mooring and pen on every lease, we changed the way we feed our fish and we changed the way our teams on the farm work together. We acquired the Ronja Huon (the first ship of her kind anywhere in the world), a well-boat that bathes our fish in freshwater to keep them healthy. We closed down our shallowest inshore sites in the Huon River and moved our remaining sites into deeper, higher energy areas, including our sites in Storm Bay, to reduce our impact on neighbours and improve navigation and safety whilst reducing our environmental impact.

Our new pens are a world first that bring together our three decades of farming knowledge and the newest technology available. We call them Fortress Pens because the nets are made of a material much like that used to make bullet proof vests, they are double netted to keep seals out and our fish in, and the pens are built to be flexible so they ride the swell and withstand the punishing offshore weather. They are much safer for our farm hands to work on and the simplicity of their design has drastically reduced the potential for marine debris to come from them.

We are using the best available technology like Fortress Pens and the well-boat, so we can farm offshore safely. That is the key: keep our people safe, keep our fish safe, and keep the waterways natural inhabitants – like seals – safe, while keeping the environment healthy.

The six principles that continue to guide our planning are:

1. Increasing production responsibly and safely
2. Improving the health and welfare of our fish
3. Improving safety for our workers
4. Reducing our environmental footprint
5. Continuing to positively participate in the community
6. Producing world-class salmon products in Tasmania

As we continue to pioneer offshore farming in Tasmania we wanted to share with you our plans and how we believe we can achieve them.

Peter and Frances Bender

OFFSHORE FARMING – THE NEW NORMAL

Huon Aquaculture has pioneered offshore farming in Tasmania. But what is offshore farming exactly? Offshore farming for Huon means that the location must meet certain environmental conditions and that the equipment and farming practices enable farming to be undertaken safely.

Location of sites:

To be considered an offshore site it must have the right combination of good water flow and wave action (high energy) and coarse sand sediment on the seafloor.

High energy

A combination of fast water movement and wave action (regularly greater than 4m) equates to a high energy site. This results in more oxygen availability and quicker flushing of carbon dioxide and ammonia which is much better for the fish. The higher energy of the water movement also reduces any impacts on the sediment and water column.

Sediment

A coarse sand seabed is ideal for safe and sustainable salmon farming. The coarser, more mobile sediment under the pens is better oxygenated which means that any nutrient load (organic matter) is broken down more quickly.

The mix of high energy and inorganic coarse sand sediment is only typically found in exposed sites and they are the two factors that we combine to consider an offshore farming site. It's not necessarily about distance from the shore, but rather having the right criteria such as wind, waves, current and suitable sediment type.

Overall, this means that offshore sites have less impact on the environment than an inshore site for the same farming activity.

How do we find new potential offshore sites?

We use the best available environmental and meteorological information by undertaking joint projects with the Bureau of Meteorology to understand long-term wave and wind patterns in a variety of different locations. This is then cross-referenced by Huon with seafloor surveys and continuous in-situ monitoring over extended periods of time to assess wave and current information as we narrow the range of prospective lease locations.

Continuous measurement of wave height and direction, sea temperature and current speed and direction all the way from the surface to seafloor.

Best available technology to support safe farming in offshore sites

To farm safely offshore you must have confidence that you can; take care of stock safely, keep them in one place, keep your equipment in one place and protect the local wildlife.

HUON COMBINES THE BEST AVAILABLE TECHNOLOGY

The Ronja Huon Well-Boat

FORTRESS PENS

240m circumference double-netted pens that are the biggest in the world.

Wildlife safety: Seals are prevented from entering the pens which means that they are unable to become trapped. The double-netted design and material discourages birds from resting on the pens and prevents them from accessing fish feed, reducing the likelihood of bird entanglements.

Reduced environmental impact: Waste from the fish in the larger pens is dispersed over a bigger area and the natural biota can then digest any waste as it is generated making it easier for the environment to naturally "process" it.

Employee safety: The flat, enclosed walkway of the new pens provides a safer and more stable work platform for farm workers particularly in bad weather. Seals are also unable to access the walkways, reducing the likelihood of aggressive seals interacting with employees.

Marine debris: The new pens cope well with extreme weather which means that debris caused by weather is minimised.

IN-SITU NET CLEANING

Reduced potential for marine debris: Nets are not typically removed from pens for cleaning which in turn reduces the opportunity for marine debris to be created, additionally, less rope used in the new pen design reduces potential for rope to be lost from the pen.

Improved health and welfare: In-situ cleaning enables more regular cleaning of nets which improves water flow and reduces stress on the fish.

WELL-BOAT

State of the art vessel for bathing fish in freshwater, transporting fish to harvest and smolt (juvenile salmon) to sea.

Reduced stress on fish during freshwater bathing: The well-boat makes the process of bathing and transporting fish far less stressful, thus improving their welfare.

Improved safety for workers: It provides a safer working platform for workers undertaking bathing operations during adverse weather.

Reduced community impact: It undertakes a range of functions and means that we have almost eliminated towing of pens and reduced the need for higher numbers of smaller, noisier vessels to be moving around the waterways.

Reduced freshwater use: The Ronja Huon re-uses freshwater at least four times compared to single use for traditional bathing methods.

Improved biosecurity: By transporting all fish in an enclosed system that can be sterilised, the potential for disease transfer is reduced.

MOORINGS

New heavy duty moorings support the new Fortress Pens.

Safer and more secure moorings: Allows the pens to be moored safely in higher energy sites.

FEEDING TECHNOLOGY

We have developed next generation pellet recognition video technology which has been rolled out across our feed barges. The pellet recognition video technology enables us to monitor high quality video and continuous sensor information from across all of our pens. Due to a lack of suitable technology in the market Huon has developed and is now implementing cutting edge Wi-Fi technology which is able to connect network sensors over long distances on our offshore leases.

Improved health and welfare of fish: All fish can be fed at the same time and watched remotely using the new system to identify any signs of stress or disease.

Reduced impact on the environment: We can feed fish strictly to appetite with reduced potential for feed to fall to the seafloor.

Improved safety for workers: Remote operation of the system means staff can monitor fish and feed without risk during extreme weather.

HUON'S FUTURE GROWTH PLANS

Huon's growth strategy meets our long-standing commitment to innovation and subsequently the evolution of the Company's marine farming operations and management.

A key driver for Huon's success has been its ability to satisfy domestic market demand. Around 90% of Huon's salmon is sold in Australia, however over 70% of all seafood consumed in Australia is imported. If we are unable to keep up with demand for salmon in Australia we risk seeing imports replacing Australian production. To help Huon meet Australian demand for our salmon, we need to grow at around 10% per year. That means our existing leases will reach capacity in around 2020. Huon's planning cycle is a minimum of five years. That means we have to identify, source, or build the resources we need five years in advance of any fish being put to sea. To put that in perspective, between 2014 – 2016 Huon invested $200 million in its farming and production infrastructure to meet its growth projections to 2020. We are now planning the next phase of growth and that is determined by the amount of lease space and growth potential we have available.

WHAT DOES HUON CONSIDER WHEN IDENTIFYING POTENTIAL NEW LEASE SITES?

Huon takes in a range of considerations when identifying proposed new sites suitable for salmon farming.

Huon is of the view that Tasmania is naturally constrained in terms of locations for potential new sites. For us and the way we farm, we consider that the North West and North East coasts are too warm, that the West Coast is too rough and sensitive (bordering a World Heritage Area (WHA) with limited access or local employee base to draw from), Macquarie Harbour is at capacity and the East Coast to be unsuitable for Huon's current farming practices. In addition, Huon does not see that there is potential to further expand in the Huon and Channel. That leaves a relatively small region in the South East of the State. Specifically Storm Bay and further south. As a result, Huon is currently seeking an additional lease in Storm Bay near to our existing sites in the area.

WHY HAVE WE CHOSEN THAT SITE SPECIFICALLY?

We have considered the proposed site against our considerations as shown below and believe it balances the needs of all waterway users, the environment, community amenity as well serviceability of the site.

1. Other waterway users including navigational safety

The proposed site allows for straight line navigation up the eastern side of Bruny Island. This is particularly important during inclement weather.

2. Community amenity

The proposed site is largely away from residents and will be serviced by the Ronja Huon, the Company's well-boat, which will keep boat traffic to and from the farm to a minimum.
The low profile pens and feedbarge will also reduce the visual appearance of the new site.

3. Suitable environmental conditions for optimal fish growth and health

The high energy site and deep waters make this an ideal growing site.

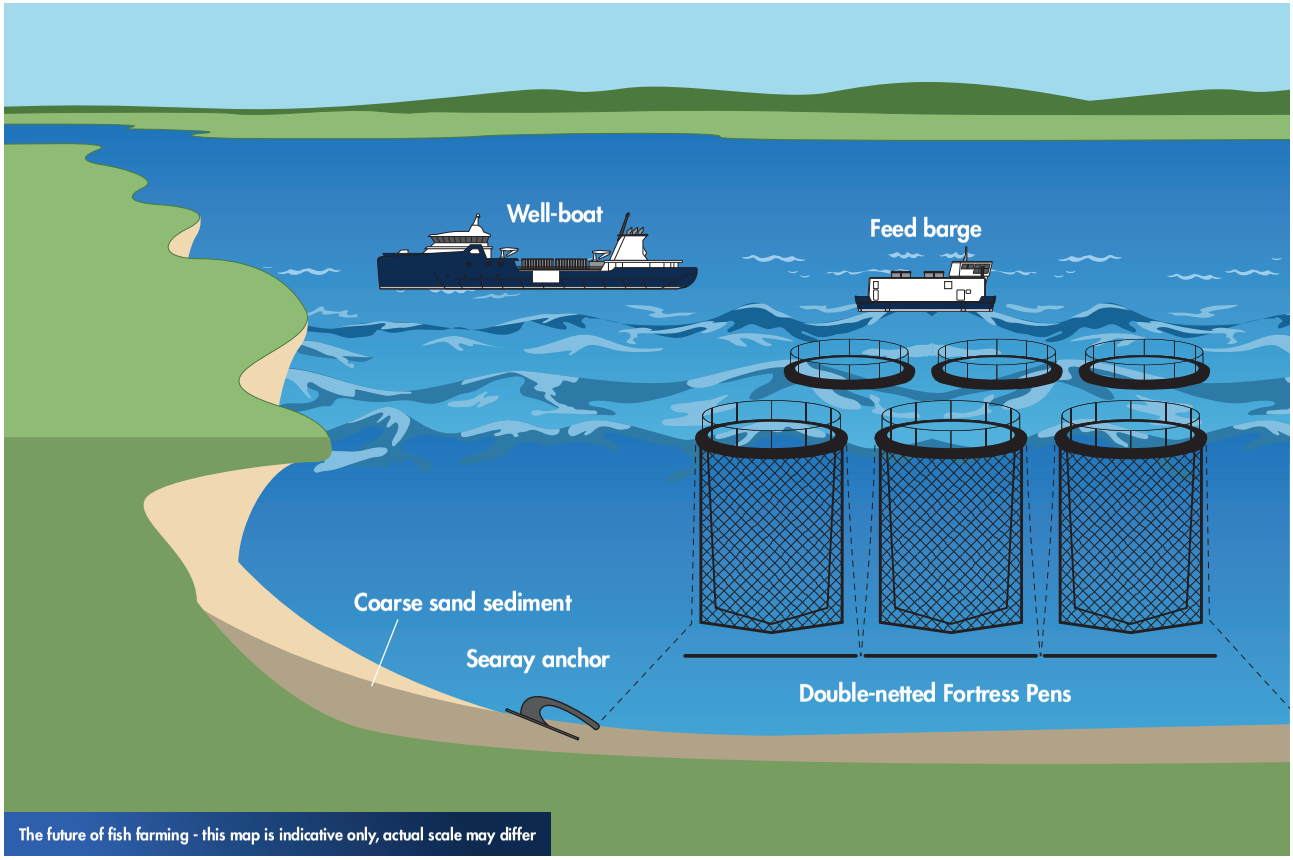
4. Current available science for best environmental management

In selecting the proposed site, Huon has ensured that it is at least "two tidal excursions" away from Tassal's proposed "West of Wedge" sites. This equates to a minimum distance of 10km in Storm Bay. This is to ensure appropriate biosecurity controls are in place between the two Companies. It is Huon's view that when establishing new sites, that a minimum of "two tidal excursions" is set between companies. This is world's best practice.

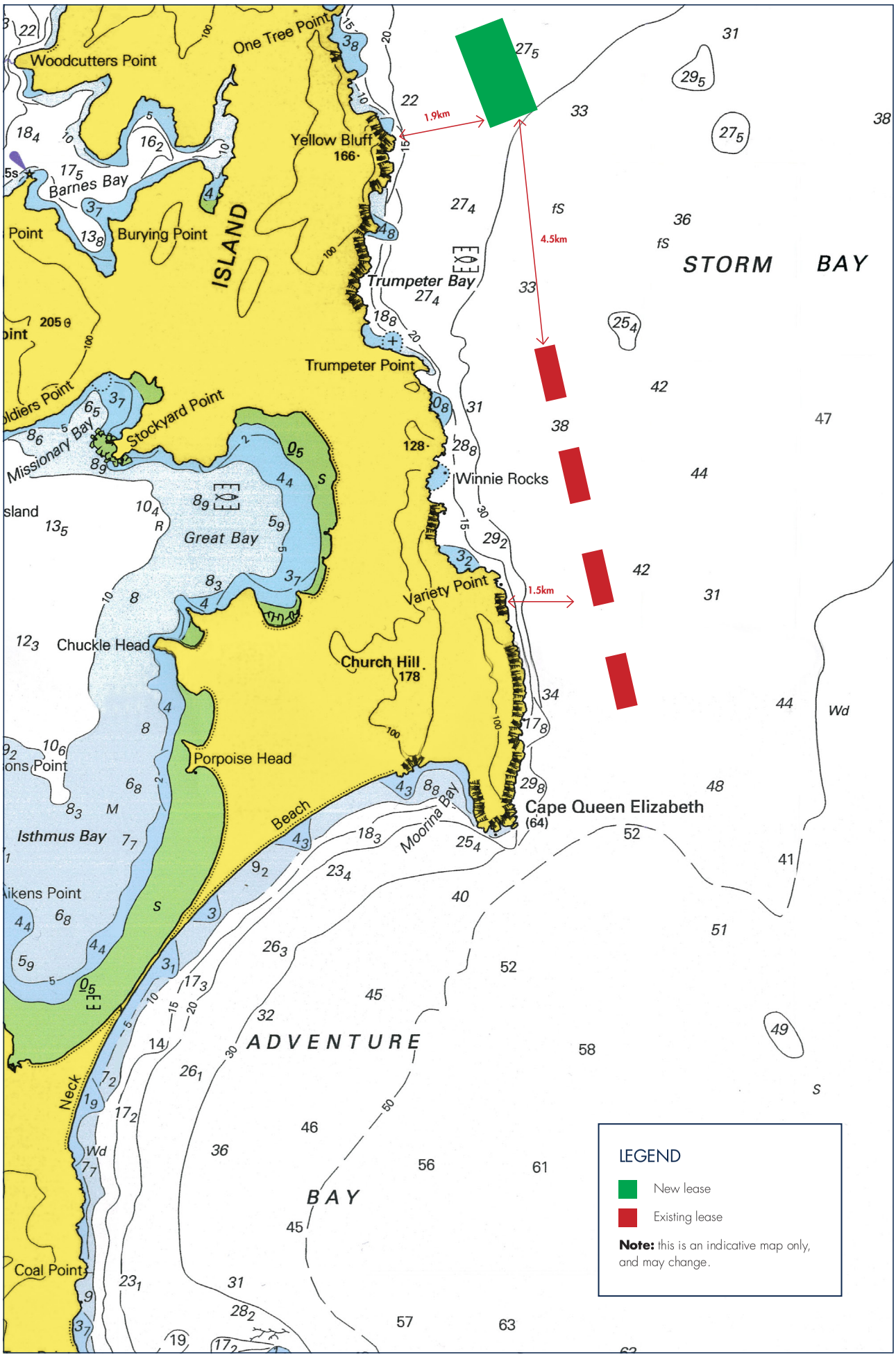
5. Ability to service the site

Huon will need to increase the scale of its shore-based facilities at a suitable location that is able to service the site.

A new site will allow the Company to farm using the best available and proven offshore technologies that it has pioneered in recent years.



The future of fish farming - this map is indicative only, actual scale may differ


Woodcutters Point
One Tree Point
Yellow Bluff
166
Barnes Bay
Burying Point
ISLAND
Trumpeter Bay
Trumpeter Point
Stockyard Point
Missionary Bay
Great Bay
Winnie Rocks
Variety Point
Church Hill
178
Chuckle Head
Porpoise Head
Isthmus Bay
Beach
Moorina Bay
Cape Queen Elizabeth
(64)
ADVENTURE
BAY
STORM
BAY
Neck
Coal Point
1.9km
4.5km
1.5km
LEGEND
New lease
Existing lease
Note: this is an indicative map only, and may change.

REDUCING ENVIRONMENTAL FOOTPRINT

Operating responsibly within our environment is paramount to the success of Huon. Our fish are the best indicator of environmental health and if we fail to respect this, then we won't be able to grow superior and sought after salmon.

An independent Institute of Marine and Antarctic Studies (IMAS) broadscale environmental monitoring program report recently found that our farms in the Huon and Channel are having "no significant or adverse environmental effects (on) the water quality or sediments"– Colin Buxton, IMAS Director.

However, new technology and improved understanding of the marine environment means that we are placing new lease locations in more environmentally appropriate, offshore sites.

The new technology and farming methods we are now using deliver direct and tangible environmental benefits:

Freshwater use: Annual freshwater use has halved by 50% from 2,204 mega litres to 1,100 since 2014 and is expected to reduce further largely due to the use of the Ronja Huon.

Wildlife interactions: Since the introduction of the new Fortress Pens we have seen a dramatic decline in all seal interactions. As a result of the net material and double net system we have, in effect, "taught" the seals that they are unable to obtain salmon from our farms.

Marine debris: All large equipment will be GPS tagged to ensure that if it comes loose in severe weather it can be rapidly recovered. The new pen design means that pens are no longer towed and has low rope use meaning there is significantly less potential for rope debris to come from the farm.

What about new technologies like onshore farming?

Huon Aquaculture continuously looks for and develops new technologies and systems to improve the safety and sustainability of its operations. We are monitoring the development of new offshore technology and the potential for onshore farming.

Huon does not consider the technology for onshore farming as it stands today to be at a level to be considered sustainable. Specifically, the stocking densities of harvest-size fish in onshore farm facilities is extremely high and we believe this is an unacceptable compromise of fish welfare. They have very high power requirements and use huge volumes of concrete to build. In addition, if onshore farming became viable then it is likely that it would be moved closer to the market for salmon (somewhere on mainland Australia). However, Huon is currently watching the development of the system and technology closely.

Similarly, extreme offshore farming technologies (like those used in oil rigs) are still in their infancy and would mark a shift from State to Commonwealth waters. We are currently examining the long-term potential of those technologies and how they would be managed in a regulatory context and over time, may prove successful.

Across a whole range of measures, Huon is now seeing the benefits of the investment in best available technology, science and farming practices. We encourage you to visit our Sustainability Dashboard at dashboard.huonaqua.com.au

For more, visit **huonaqua.com.au**

/huonaquaculture @HuonSalmon @HuonSalmon

HUON TASMANIA

COMMUNITY INFORMATION SHEET

Salmon farming at Trumpeter Bay

Introduction

Huon Aquaculture currently holds a 200 hectare lease in Trumpeter Bay on the eastern side of Bruny Island. Until now, we have been unable to farm the lease as we have not had the infrastructure to safely farm an offshore site such as Storm Bay.

As you will see from our Future of Fish Farming Brochure we have been investing in new technology including new pens, new feeding systems and new methods of servicing the pens that will enable us to commence farming salmon in Storm Bay safely.

Our plan is to place five pens on the existing lease in Trumpeter Bay in September this year. This will in effect be a "mini-lease" which will allow us to undertake rigorous monitoring and testing of our infrastructure and systems in a production setting.

We will also be applying to the Tasmanian Government to split the lease into four sub leases (each 50ha) and move them further out from shore. We hope to be able to farm the amended lease sites from early 2015. The map on the back of this information sheet shows the existing lease and the proposed new leases. We are not seeking to expand our current total lease area farming area with the changes. We hope the information will answer many of your questions, however, if you would like any further information please contact us.

Why have you decided to farm there now?

The demand for salmon is growing every day. To ensure we are able to keep pace with demand for our products we need to increase the number of salmon we grow.

We have planned for this growth and it is why we purchased the Trumpeter Bay lease a few years ago. However, it is only now that we are able to farm on the site as a result of our fortress pens, feeding technology and the new well-boat.

However, we cannot use this new technology in depths shallower than 30m hence the need to move the present lease further offshore.

When will it happen?

As mentioned above, our plan is to place five pens on the existing lease in Trumpeter Bay in September this year.

We hope to be able to farm the amended lease sites (as shown on the map on the following page) in early 2015.

We would not expect to reach full production for the area until 2016.

Will there be any job opportunities?

At full production we expect there will be 10 people based at the new lease sites and we remain committed to our target of 75% local employment in southern Tasmania.

We have currently advertised for farm attendants for Trumpeter Bay. Bruny Island residents are encouraged to apply. Applications can be made via our website at; www.huonaqua.com.au/careers and are open until 4 August.

Will there be any shore-based operations on Bruny Island?

Huon does not intend to have a shore-base for Trumpeter Bay. Our new feed-barges mean that our staff will be based on the feed-barge on the lease itself. All staff will transfer out to the lease(s) from Gunpowder Jetty in North-West Bay on a worker-transport vessel.

Will I still be able to fish, sail and dive along the coastline and in Trumpeter Bay?

Yes, the leases are 1.5km offshore after stakeholder consultation.

Recreational fishing and boating is a much loved pastime for Bruny Island residents and visitors alike. We don't want that to change.

Fishing is permitted anywhere in Trumpeter Bay except for inside our lease area as shown on the map.

Our proposed changes to the lease mean that the leases would be further offshore – at least 1.5 kilometres. That means there is much greater room between the shore and the leases to continue fishing, sailing and diving in the area.

What will be the impact on the environment?

Shoreline

By siting the leases at least 1.5 kilometres off-shore we do not expect there to be any environmental impact. Storm Bay is an offshore high energy well mixed water body. Our farming methods coupled with the prevailing currents and a minimum distance of 1.5km from shore mean that we are unlikely to have any impact on the local shoreline.

Water and macro-algae

Both the existing site and the proposed new sites are high energy and the general mass flow of water is off-shore, to the SE. These factors coupled with our responsible farming practices and new technology mean that there will be no impact on the area outside of our leases. By regularly fallowing (resting) sites we ensure the sea-bed immediately beneath our pens is given plenty of time to recover before we start farming again.

Marine debris

We take our responsibility to the environment very seriously and this is particularly so in relation to marine debris. To ensure this is kept to the absolute minimum Huon has been undertaking a marine debris reduction program to educate and re-educate staff, standardise procedures and practices and also has a marine debris policy.

In addition, Huon staff regularly patrol and clean local beaches throughout the Huon and Channel, we will extend industry's adopt a shoreline initiative to include the shoreline on north Bruny from Yellow Bluff to Cape Queen Elizabeth and ensure any debris is collected in a timely way. For further information on our marine debris policy, please visit our website.

Wildlife (seals and birds)

Huon will only farm using our new Fortress Pens. The new pens prevent all birds and seals from entering the pens. This is an extremely important method of reducing interaction with wildlife.

Huon Aquaculture is well aware that farming Storm Bay brings farming closer to the Friars rock haul-out at the south tip of Bruny Island. This is why the use of our new fortress pens is fundamental to the success of farming fish in that area. Seals are prevented from entering the pens which means that seals are unable to become trapped. The net design and material discourages birds from resting on the pens and prevents them from accessing fish feed reducing the likelihood of bird entanglements.

We encourage you to read the section on "Revolutionary New Pen Design" in the Future of Fish Farming Brochure for further information.

Will there be more boat traffic? Where will it come from, how noisy will it be?

It is unlikely that residents will notice an increase in boat traffic in the area. By keeping our working vessels moored at the lease site we will only be using a single passenger-transport vessel to transfer staff to and from the lease. That means that boats (4-5 in number) that are working on the leases will stay on the leases, except in bad weather when they will be retuned to safe anchorage in Northwest Bay. This will ensure that boat movements are kept to a strict minimum.

In addition, the new well-boat will make approximately 10 trips around Bruny Island each week. It is unlikely that residents will notice the sound of the well-boat as it is a state-of-the-art vessel that has quiet diesel-electric motor. It will travel between the lease and the Huon River, to transfer fish and collect new bathing water, a maximum of one per day.

Still have some questions?

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COMMUNITY INFORMATION SHEET

Salmon farming at Trumpeter Bay