



NEWS RELEASE

OCI provides government with plans for redfish and flatfish species: could see \$750 million in NL economy in just 5 years

December 9, 2011

St. John's—Martin Sullivan, President and CEO of Ocean Choice International (OCI), confirmed today that the provincial government is now in receipt of the company's recommended plans for both redfish and flatfish. The plans are a significant part of sustaining the future fishery in Newfoundland and Labrador, and come on the heels of a major announcement by OCI one week ago to restructure the industry. The Redfish proposal was presented to government on October 25, 2011; the flatfish proposal was provided today.

"We have put together credible proposals to government on both the redfish and flatfish species," said Martin Sullivan, President and CEO of Ocean Choice International. "Further to the changes made in our operations last week, the future viability of these fisheries depends on government's approval of our plans."

Redfish

Sullivan said the plan for redfish calls for a permanent exemption to allow the company to export redfish in a product form that customers demand. The market economics for this species makes it viable only if it is caught and processed on board vessels and sold directly to markets around the world. The plan will put \$35 million a year into our provincial economy.

Flatfish

The plan for flatfish is more complex. OCI has proposed a compromise plan whereby some product is processed onshore and the balance is exported. This is the so-called "Fortune plan" as outlined in the Deloitte report. This plan will result in a "loss" position for a few years but will allow the company to operate year-round and give it a chance of success. However, Sullivan said the benefits of this proposal are very significant for the people of the Burin Peninsula and our province. The plan calls for an increase in the company's export option for flatfish combined with landing about 7 million pounds of flatfish a year for processing at OCI's Fortune operation. It will mean 110 year-round jobs at our plant in Fortune and 150 year-

round jobs on our vessels. The plan will put \$115 million a year into our provincial economy, and bring substantial new dollars to our fishermen, plant workers and the province as a whole.

Huge value for province

“Together, the proposed plans will result in a 40% increase in total overall wages and benefits for people working on our vessels and in our processing facilities versus the actual experience in 2010,” he said. “It will also mean year-round employment for over 300 people and three-quarters of a billion dollars in economic value for our provincial economy in just five years.”

Government restrictions have not allowed OCI to unlock the potential economic benefit of the fishing sector in Newfoundland and Labrador. The market is changing, as are the economic circumstances in which the company operates. By lifting current restrictions on species, the province can move the industry into a sustainable one for the future. Today, processing restrictions make fishing both redfish and flatfish uneconomical.

OCI announced the closure of two of its plants last week, but also announced it will invest in excess of \$5 million in 2012 in its facilities in Bonavista, Port aux Choix, Triton, St. Lawrence and Fortune, as well as its fleet, as part of its normal operations. “A successful conclusion to restructuring of the flatfish business as proposed to government today will also mean an additional \$10 million invested in a new vessel,” said Sullivan.” These investments come on top of \$30 million invested in the company’s plants and vessels since 2008.

OCI has made numerous investments in the company in recent years, and established a worldwide marketing and sales network in over 35 countries around the world. The success of the company in the future will rely heavily on the company’s ability to respond to market demands, and to adjust to changing economic conditions.

The company awaits a speedy response from government on the two plans so that it can prepare its operations for 2012.

About OCI

Ocean Choice International is one of Canada's leading vertically integrated seafood harvesting, processing and marketing companies with operations throughout Atlantic Canada and Sales & Marketing offices around the world. As one of Canada's largest wild fish quota holders, OCI is a leader in fishing and processing technology and market development.

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