Attention Business/Financial Editors

CLEARWATER REPORTS FIRST QUARTER 2009 RESULTS AND UPDATE ON FINANCING INITIATIVES

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HALIFAX, May 15/CNW/ - (TSX:CLR.UN, CLR.DB, CLR.DB.A):

- Sales increased by 24% or $13.9 million over the first quarter of 2008 to $71 million

- Gross profit margins increased by 70% or $4.6 million over first quarter of 2008 to $11.1 million

- Earnings before interest, taxes, depreciation and amortization ("EBITDA"), excluding foreign exchange losses and one time and unusual adjustments, increased by 34% or $2.2 million over the first quarter of 2008 to $8.6 million

- Management successful in selling $8 million of non-core quotas after quarter-end and used proceeds along with cash on hand to repay $10.7 million of long-term debt in advance of refinancing in June.

- Secured $8.3 million short-term bridge facility from Export Development Canada.

- Management remains highly confident that refinancing will be completed prior to the maturity of the existing term loans on June 8th.

Today, Clearwater Seafoods Limited Partnership ("Clearwater") reported its first quarter 2009 results

Clearwater reported sales of $71 million and gross margins of $11.1 million for the first quarter of 2009, improvements of $13.9 million and $4.6 million over the respective periods in 2008. With the launch of the new clam vessel and the finalization of a new shrimp joint venture, both of which happened in the second quarter of 2008, Clearwater's operating results have continued to show improvement. These and other positive factors such as an improved foreign exchange environment for exporters resulted in a 24% increase in sales, a 70% increase in gross margins and a 34% increase in EBITDA before foreign exchange losses and one time and unusual adjustments, in 2009.

Clearwater reported normalized EBITDA of $8.6 million in the first quarter of 2009 versus $6.4 million the same period of 2008 (for calculation of normalized EBITDA refer to the Definitions and Reconciliations section of the 2009 first quarter MD&A). The improvements are a result of higher sales and gross profits offset by higher SG&A costs as the business returns to more normal operations.

Normalized cash flows were $2.6 million in the first quarter of 2009 versus $2 million the same period of 2008 with the increase attributable to higher EBITDA partially offset by higher interest costs (for calculation of normalized cash flows refer to the Definitions and Reconciliations section of the 2009 first quarter MD&A).

The business experienced higher costs in the first quarter of 2009 as it sold down inventories harvested in 2008 when fuel costs were higher. In addition, challenging weather conditions in late 2008 and early 2009 impacted catch rates and the related catching costs per pound. However, late in the first quarter of 2009 weather conditions began to improve and we saw a corresponding improvement in catch rates and harvesting costs per pound. In addition, fuel costs remain substantially lower than the costs in 2008. These factors should result in lower harvest costs going forward in 2009.

Clearwater remains highly confident that it will complete the refinancing of its senior debt facilities prior to maturity on June 8, 2009. As of April 4, 2009 Clearwater had approximately CDN $86.8 million of long-term notes to be refinanced. In addition, in December 2008 Clearwater arranged with its foreign exchange lenders to restructure certain of its foreign exchange contracts to match its foreign currency receipts with a short-term loan, $14.4 million of which remained outstanding as of April 4, 2009. Therefore, after taking into account the term notes and foreign exchange facilities outstanding at April 4, 2009 of $101.2 million, the $10.7 million in principal payments made after quarter-end as noted in the following paragraph and $8.3 million in new funds from Export Development Canada noted subsequent to that, the total debt facilities that Clearwater is planning to refinance total approximately CDN$99 million.

Subsequent to quarter end Clearwater was successful in selling $8 million of non-core groundfish quotas. Clearwater used the proceeds from these sales plus cash on hand to make principal payments totaling approximately $10.7 million on the facilities noted above thus reducing the amount to be refinanced in June.

In addition, subsequent to quarter-end Clearwater obtained an $8.3 million short-term bridge facility from Export Development Canada. This facility has similar terms and conditions to the amortizing facility Clearwater has in place with its foreign exchange lenders and will provide Clearwater with additional flexibility in managing its working capital needs until the refinancing is complete in June.

The sale of these non-core quotas, the early debt repayment and creating additional working capital lines from the EDC facility are all part of Clearwater's focused strategy for maintaining liquidity which includes tightly managing its working capital, limiting capital spending, liquidating under performing assets, selling non-core assets, limiting distributions and maximizing the amount of cash on hand.

Clearwater's sales and gross profit margins continue to strengthen now that the fishing fleet is operating without disruption and despite soft markets that result from the global economic slow down, improving trends Clearwater has seen over the past two quarters. Clearwater remains highly confident that it will complete its debt refinancing and this, combined with the improving operations will enable Clearwater to maintain strong liquidity to operate the business. The credit markets remain volatile and challenging, therefore, while management expects to be successful in refinancing this debt there is no guarantee that it will be able to do so in the current markets. Clearwater anticipates that its new debt covenants will include restrictions on future distributions, restrictions on capital expenditures as well as some agreed reductions in principal.

Over the next several years Clearwater will be focused on reducing its leverage. This will come from a combination of improved earnings levels, which will improve trailing EBITDA levels, and from using the positive cash flow of the business to reduce debt. Clearwater believes that over time this approach will provide for a lower cost of capital by restoring access to a greater variety of debt sources.

Colin MacDonald
Chairman and Chief Executive Officer
Clearwater Seafoods Limited Partnership
May 15, 2009

Financial Statements and Management's Discussion and Analysis Documents

For an analysis of Clearwater and Clearwater Seafoods Income Fund's first quarter results, please see the Management's Discussion and Analysis and the 2009 first quarter financial statements. These documents can be found in the disclosure documents filed by Clearwater Seafoods Income Fund with the securities regulatory authorities available at www.sedar.com or at its website (www.clearwater.ca).

Key Financial Figures ($000's except unit amounts)

Clearwater	13 weeks ended	
	April 4, 2009	March 29, 2008 *(as restated)*
Sales	$71,012	$57,114
Net earnings (loss)	$17,876	($21,711)
Basic earnings (loss) per unit	$0.35	($0.42)
Normalized EBITDA [1]	$8,645	$6,471
Normalized cash flows[1]	$2,676	$1,969
Weighted average units outstanding at period-end		
Limited Partnership Units	51,126,912	51,626,912
Fully diluted	62,323,941	62,824,111

1. Please see the Management's Discussion and Analysis for a reconciliation of these amounts to the financial statements.

The Fund does not consolidate the results of Clearwater's operations but rather accounts for the investment using the equity method. Due to the limited amount of information that this would provide on the underlying operations of Clearwater, the financial highlights of Clearwater are included above.

About Clearwater

Clearwater is recognized for its consistent quality, wide diversity and reliable delivery of premium seafood, including scallops, lobster, clams, coldwater shrimp, crab and ground fish.

Since its founding in 1976, Clearwater has invested in science, people, technology, resource ownership and resource management to preserve and grow its seafood resource. This commitment has allowed it to remain a leader in the global seafood market.

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