

Pan Fish Press Release



3 May 2005

Pan Fish successfully closes sale of non-core US fish farming business

Pan Fish today concluded an agreement to sell the company's US fish farming operations to the Seattle-based company Smoki Foods. The transaction includes all fish inventory and certain equipment and property currently owned by Pan Fish USA. The transaction will yield total sales proceeds of USD 8,350,000. The transaction will yield a minor profit, which will be booked in Q2/2005.

As part of the agreement, Pan Fish USA has entered into a lease agreement with Smoki Foods for the majority of the water-based production equipment currently used in the US operations. The purchaser will retain the right to, within a three-year period, buy additional equipment at a value of USD 7,800,000. If this right is not exercised, Pan Fish will transfer the equipment to other specific farming sites, with a corresponding reduction in planned investments at those sites. The cash value of the sale of Pan Fish USA over a three year period, either through Smoki exercising the option or by less future capital investments, is thus USD 16,150,000.

As part of Pan Fish's focused strategy, in which lowest cost to market is fundamental, Pan Fish's Board of Directors decided in January 2005 that the company should concentrate its North American resources in Canada. Today's announcement concludes a divestment process which was initiated in January.

There has at the same time been signed an agreement between Smoki and Pan Fish North America where Pan Fish North America will continue to sell and through that service its customer base for part of the Smoki salmon production.

Pan Fish's management considers the conditions for profitable operations in Canada superior both financially and biologically. Also, Pan Fish's locations in Canada enable a more cost effective rebuild of production. Pan Fish will direct financial and managerial resources earmarked for North America towards strengthening Pan Fish Canada.

"We are pleased to have put in place a strategic solution that both serves Pan Fish's interests and secures employment for our US colleagues. Following the conclusion of this agreement, Pan Fish can focus full attention on further improvements with regards to production cost and other operational issues in our Canadian facilities", said Atle Eide CEO of Pan Fish.

Nordea Corporate Finance served as Pan Fish's partner in the transaction.
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A handwritten signature in black ink.

Atle Eide CEO
Pan Fish ASA



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