Attention Business/Financial Editors

CLEARWATER REPORTS THIRD QUARTER 2008 RESULTS

/Not for release over US newswire services/

HALIFAX, November 14/CNW/ - (TSX:CLR.UN):

- Prices and margins stable and showing strength despite current market conditions
- Fleet fully operational and possibility of lower fuel costs in future quarters
- Sales and gross profit for the third quarter of 2008 were $82 million and $18 million versus $91 million and $22 million in 2007 (prior to adjustment in 2008 for new inventory standard)
- Management confident in refinancing its balance sheet and senior term debt which is due December 8, 2008

Today, Clearwater Seafoods Income Fund (the "Fund") reported third quarter 2008 results.

Sales prices and margins performed well during the quarter, despite challenging market conditions. We believe our strategy of operating with a variety of species and selling to a diverse group of customers worldwide will continue to show positive results in what we expect to be a challenging economic environment over the next twelve months.

We are pleased to announce the completion of our multi-year vessel renewal program. With the last of our planned frozen-at-sea vessel conversions complete and our new lobster vessel expected to start operations in November, our fleet is now fully operational with no major vessel acquisitions or conversions planned for the next three to five years. This will result in a more efficient fleet with lower costs, improved quality and greater catch volumes, all of which will serve to further improve profitability.

Looking at the quarter, sales and gross profit for the third quarter of 2008 were $82 million and $18 million versus $91 million and $22 million in 2007 (prior to the adjustment in 2008 for new inventory standard).

There were a number of significant operational items that impacted the third quarter of 2008 as follows:

- Scallop margins - Scallop margins were down from 2007 due mainly to lower overall sales volumes driven by lower catch volumes of larger size scallops, partially offset by higher average prices in the quarter. Costs were also higher, in part due to the sale of product procured from third parties and higher fuel costs. These factors combined, led to an overall decrease in total gross margins during the quarter. Subsequent to quarter-end fuel prices have declined which should lead to lower operating costs going forward.

- Clam margins – The clam fleet has operated with less harvesting capacity in the first half of 2008 resulting in lower harvest and sales volumes in the third quarter of 2008. We expect to see this improve in the future as our newly converted vessel, the Arctic Endurance, successfully completed its sea and fishing trials during the second quarter and has begun to harvest product, which is now being sold. Clam harvest costs were higher due to higher fuel costs but as stated above, these are expected to lower as fuel prices decline.

- Shrimp and turbot – Our new shrimp/turbot joint venture has shown some very promising initial results. Shrimp prices in the quarter increased to the highest levels we have seen in recent years, catch rates have been strong and margins from turbot were also very strong in the quarter.

- Lobsters – we realized improved lobster sales and margins in the quarter as a result of lower shore prices paid, offset partially by lower selling prices.

The factors listed above led to lower distributable cash levels in the third quarter and year-to-date as compared with 2007. Distributable cash for the quarter and nine months of 2008 was a shortfall of $3.2 million and $9.6 million versus distributable cash of $5.8 million and $486,000 in the comparative periods of 2007. The Trustees continue to monitor the distribution policy and have decided it would not be appropriate to pay a distribution for the third quarter of 2008 and given restrictions in loan agreements, will not be considering distributions until the refinancing mentioned in this release is complete.

Strategic investments

In late April 2008, Clearwater took delivery of the vessel it had been converting over the past several months for its clam fishery. The vessel undertook sea trials and commissioning in the second quarter and commenced fishing in June. Management expects strong growth in the clam business and the full annual impact from this new vessel should be seen in 2009.

Clearwater has also renewed and expanded its joint venture agreement for its shrimp harvesting operations effective April 1, 2008. The key terms of this new agreement include an extension of the partnership for a further 10 years, the contribution by our partner of the factory vessel Ocean Prawns and the contribution by both parties of rights to fish shrimp and turbot fishing quotas. Each partner's equity interests in the partnership were adjusted to reflect the contribution of the vessel and use of quotas such that Clearwater's share of the partnership earnings have increased from 50% to 54% from April 1, 2008 onwards. This joint venture will enable Clearwater and its partner to combine shrimp harvesting assets and related shrimp and turbot quotas into a larger operating entity that has created efficiencies and improved profits for the business with significantly less capital employed.

Finally, during the third quarter Clearwater purchased a vessel for conversion for the lobster fleet. The total expected cost, including conversion costs is approximately $5.7 million. We expect to realize increased returns from this vessel due to lower fleet operating costs (due to having fewer vessels) and lower costs from the improved handling.

The overall impact of these investments is to increase our harvesting capacity while reducing our expected operating costs through employing more efficient vessels and reducing the size of our fleet.

Strategic Review

On October 28, 2008 Clearwater Seafoods Income Fund and CS Acquisition Limited Partnership (the "Purchaser") announced that they would not be in a position to close the previously announced transaction pursuant to which a partnership owned by a consortium led by Clearwater Fine Foods Inc. ("CFFI"), would acquire the business of the Fund.

This announcement came as a result of the unprecedented uncertainty and volatility in global financial markets and, in particular, Glitnir Banki hf being placed into receivership shortly before the anticipated closing in October. Glitnir was to provide approximately 10 per cent of the financing required to complete the transaction. Despite diligent efforts to address the financing issues, the parties were unsuccessful in arranging the alternative sources of financing needed for the completion of the transaction. As a result, the parties terminated the transaction agreement.

Tom Traves, Chairman of the Trustees, speaking on behalf of the Fund, stated, "The Trustees are disappointed that this disruption of the financial markets did not allow the Fund and the consortium partners to complete the transaction. However, we remain confident in the business and its prospects for the long term. The Trustees will continue to work with CFFI to review alternatives to maximize value for the unit holders."

CFFI continues to be supportive of the Trustees' efforts. John Risley, President of CFFI, stated "Clearwater has and will continue to be a long term strategic investment for CFFI and we continue to believe in the long term prospects of the business. We will continue to work with the Fund and its advisors in reviewing its options as markets return to more normal conditions."

Refinancing

Management is currently working on refinancing its balance sheet and with a successful conclusion, believes that the following renewed facilities combined with the significant cash balances currently being carried will be sufficient to meet Clearwater's ongoing cash requirements:

- Notes due in December 2008 – There are approximately Canadian $43 million and US$15 million of term notes due in December 2008. Management is currently in discussions to extend the due date and replace these notes in early 2009 and believes it will be successful in achieving this.

- Foreign exchange contracts – Clearwater has a significant book of foreign exchange contracts outstanding. At quarter-end the mark to market liability for these contracts was approximately $7.9 million (see note 5(a) to Clearwater Seafoods Limited Partnership's financial statements). Subsequent to quarter-end the Canadian dollar depreciated significantly against the currencies contracted for, in particular the US dollar and the Japanese Yen. As a result the majority of Clearwater's option contracts effectively became forward contracts, the majority of which are due in November 2008 to January 2009. Management is currently in discussions with a view to extending the maturity of these contracts to better match its foreign currency receipts.

For further information on Clearwater's capital resources please refer to the liquidity and capital resources section of its 2008 third quarter Management's Discussion and Analysis.

Summary

With the last of our planned frozen-at-sea vessel conversions complete and our new lobster vessel expected to start operations in November, our fleet is now fully operational with no major vessel acquisitions or conversions planned for the next three to five years. This will result in a more efficient fleet with lower costs, improved quality and greater catch volumes, all of which will serve to further improve profitability.

Harvest costs have been impacted by higher fuel costs, but subsequent to quarter-end have declined to more acceptable levels. A one-cent per litre change in the price of fuel impacts harvesting costs by approximately $280,000 based on fiscal 2007 fuel purchases. Subsequent to quarter-end 2008 fuel prices per litre declined below year-to-date average costs.

The current exchange environment has seen a weakening of the Canadian dollar versus a basket of international currencies. In fiscal 2007 46% of our sales were denominated in US dollars at an average exchange rate of 1.07, 19% were in Euros at an average rate of 1.45, 9% were in Japanese Yen at an average rate of 0.009 and 7% were in Pound Sterling at an average rate of 2.12.

Clearwater does not expect to realize a material net benefit to short-term cash flows from this positive exchange environment as it has substantial foreign exchange contracts including option and forwards which effectively lock in the rate to be realized by Clearwater for the next 12-18 months depending on currency. Clearwater's inventory of foreign exchange contracts is disclosed in note 5(a) to its third quarter 2008 financial statements.

Outlook

Colin MacDonald, Clearwater's CEO stated "Our strengths are our strong positions in our internationally recognized sustainable fisheries, our leading edge, innovative harvesting and processing technologies, our vertical integration and our business strategies to deliver long-term value. We have an outstanding and dedicated workforce, excellent quota positioning, and global customer relationships that span decades and we look forward to building on these strengths for the balance of 2008 and going forward.

"Our sales prices and margins performed well during the quarter, despite challenging market conditions. We believe our strategy of operating with a variety of species and selling to a diverse group of customers world-wide as well as strong demand for sustainable seafood will continue to show positive results in what we expect to be a challenging economic environment over the next twelve months.

"Finally I am pleased to announce the completion of our multi-year vessel renewal program and we look forward to operating the most up-to-date fleet of factory freezer vessels in Canada."

Colin MacDonald
Chief Executive Officer
Clearwater Seafoods Limited Partnership
November 14, 2008

Financial Statements and Management's Discussion and Analysis Documents

For an analysis of Clearwater and Clearwater Seafoods Income Fund's quarterly results, please see management's discussion and analysis and the third quarter and year-to-date 2008 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).

Financial Highlights and Significant Items

Effective January 1, 2008, Clearwater adopted section 3031 "Inventories" that establishes more extensive guidance on the determination of cost, requires impairment testing and expands the disclosure requirements to increase transparency. The adoption of this standard impacted the costs that are included in inventory, as a portion of plant overhead, administration and depreciation costs are included in inventory. As a result, the gross profit has been impacted as the administration and depreciation costs that are now included in inventory are expensed as part of the cost of goods sold as opposed to other costs that are listed below the gross profit.

In the third quarter of 2008 Clearwater changed its accounting policy from expensing refit costs as incurred to capitalizing and amortizing them over the period between refits as this results in the financial statements providing more reliable and relevant information about the effects of these refits on the entity's financial position and financial performance.

Clearwater has changed this policy retroactively and a result has updated the comparative figures presented to reflect the new policy. The adoption of this policy reduced the amounts expensed in cost of goods sold for refit costs, increased amortization expense and increased capital expenditures.

Clearwater 2008 third quarter report provides full details on the impact of these changes in accounting policies and standards on the 2008 and 2007 figures.

Clearwater	13 weeks ended		39 weeks ended	
	September 27, 2008	September 29, 2007 *(as restated)*	September 27, 2008	September 29, 2007 *(as restated)*
Sales	$81,557	$90,555	$207,905	$224,961
Net earnings (loss)	($10,234)	$8,705	($20,671)	$25,322
Basic net earnings (loss) per unit	($0.20)	$0.17	($0.40)	$0.48
Cash flows from operating activities before changes in working capital	$6,593	$7,867	$2,426	$8,679
Distributable cash (1)	($3,210)	$5,793	($9,631)	$486
Distributions declared (1)	$0	$7,875	$0	$23,692
Weighted average units outstanding				
Limited Partnership Units	51,126,912	52,648,140	51,151,076	52,648,140
Fully diluted	62,323,941	61,872,612	62,348,105	61,872,612

1. Please refer to the Distributable Cash definition in the MD&A for detailed reconciliations of these amounts. The Fund receives distributions from Clearwater and in turn distributes them to its unitholders. As such, distributable cash for the Fund is equal to the distributions received and paid.

2. 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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