

Attention Business/Financial Editors

**CLEARWATER REPORTS FIRST QUARTER 2008 RESULTS AND
ANNOUNCES STRATEGIC INVESTMENTS**

/Not for release over US newswire services/

HALIFAX, May 13/CNW/ - (TSX:CLR.UN):

- Distributable cash improved by \$4.4 million compared to the first quarter of 2007.
- Sales for the first quarter of 2008 were \$57.1 million with a gross profit of \$12.2 million, excluding impact of the adoption of the new inventory accounting standard, relatively consistent with the prior year.
- Have taken possession of the new clam vessel, positioning clam business for growth.
- Negotiated renewed and expanded joint venture agreement for the shrimp business, securing continued partnership for the future.
- Trustees continue work on strategic review.

Today, Clearwater Seafoods Income Fund (the "Fund") reported first quarter 2008 results that illustrated improved distributable cash levels and sales that were comparable to the first quarter of 2007.

Sales and gross margins were comparable considering the business operated with one less vessel in the shrimp fleet when compared to the prior year. There were a number of significant events that impacted the first quarter of 2008 as discussed below.

- First, the continued negative impact of foreign exchange on sales. For the first quarter of 2008, sales and margins were negatively impact by \$6.2 million when current effective rates are compared to those of 2007. However, less disruptions in the clam and scallop businesses resulted in an overall gross profit that was \$421,000 higher than 2007 despite the negative exchange impact, excluding the impact from the adoption of the new inventories accounting standard (see detail at the end of this release).

Fluctuating exchange rates also resulted in a reduction of \$6.3 million in realized foreign exchange expense compared to 2007 in Clearwater's foreign exchange management program while unrealized losses changed by \$27.5 million. It is important to understand that more than 80% of

Clearwater's sales are denominated in currencies other than the Canadian dollar, whereas the majority of its expenses are in Canadian dollars. As a result, foreign exchange fluctuations can have a material impact on Clearwater's financial results.

The overall impact of exchange on earnings was \$27.4 million (\$6.2 million negative impact on sales and gross profit, \$6.3 million reduction in realized exchange losses and a \$27.5 million increase in unrealized losses).

- Second, Clearwater was able to achieve substantial reductions in selling and administrative expenses in 2008. This relates mainly to lower spending on professional and consulting fees. The current year strategic review costs of approximately \$130,000 are offset by lower professional and consulting costs for the first quarter of 2008. The prior year included costs of approximately \$650,000 related to potential acquisitions and approximately \$200,000 more in information technology consultation spending. The impact of the new inventory accounting standard resulted in an additional reduction of \$2.6 million in selling and administrative costs in the current quarter as those costs were reclassified to cost of goods sold.

The factors listed above led to an improvement of \$4.4 million in distributable cash levels. On January 21, 2008 due to the 2007 financial results, the Trustees of the Fund announced the suspension of monthly distributions. Tom Traves, Chairman of the Trustees has stated "The Trustees will continue to monitor the distribution policy with distributions to be determined quarterly and paid in arrears after considering the traditional criteria in determining the distribution policy." The Trustees have decided it would be appropriate to not pay a distribution for the first quarter of 2008

In late April 2008, Clearwater took delivery of the vessel it had been converting over the past several months for its clam fishery. This vessel is expected to begin harvesting product later in 2008, which will enable Clearwater to grow its sales volumes and achieve greater harvesting efficiencies, both of which are expected to increase the margins achieved by the clam business.

In addition, Clearwater has renewed and expanded its joint venture agreement for its shrimp harvesting operations effective April 1, 2008. 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 is expected to create efficiencies and improved profits for the business in the future.

Strategic Review

The Trustees are continuing to work together with their financial advisor, BMO Nesbitt Burns, to assess and review the options available to Clearwater given the Company's recent performance and the Canadian government income trust legislation that will impose a tax on all income trusts beginning in 2011. Tom Traves stated "There is, of course, no certainty that any transactions or fundamental changes to Clearwater's business will result from this strategic review, however, the Trustees and Directors felt that such a detailed review was warranted given the challenges the Company faced in 2007. The Trustees understand that any decisions based on the review may have a significant impact on our investors, and the value of Clearwater. As such, the Trustees are ensuring that the proper due diligence is given to the review, and that all options will be given proper consideration. When a decision is reached or a significant event occurs, it will be communicated to our investors in a timely manner. Regardless of the direction in which this review may take us, the primary goal of the Trustees will remain, as always, to maximize unit holder value."

Summary

From an operational perspective, the clam business operated without any significant interruptions during the quarter resulting in improved sales and margins in the first quarter of 2008, excluding the impact of the new inventories standard.

In summary, Clearwater's 2008 gross profit year-to-date was consistent with the prior year, excluding the impact of the new inventories standard. The current year has operated to date without the significant vessel disruptions experienced in the scallop and clam fleets in 2007. Improvements in selling and administrative costs were offset by higher interest costs due to higher average debt balances.

Outlook

Management continues to believe there is strong potential for growth in the clam business. They expect to realize this potential with the delivery of the newly converted clam vessel that arrived in the second quarter of 2008. This new vessel combined with the ocean bottom mapping technology will enable the clam business to realize significant improvements in this business for 2008 and beyond.

The earnings related to the shrimp business are expected to improve relative to the results in the first quarter of 2008. The shrimp quota, along with the recently purchased turbot quota, has been rolled into a renewed joint venture agreement effective April 1, 2008. Clearwater and Ocean Prawns have enjoyed a successful partnership since 1991 and we are very pleased to renew our joint venture on an expanded scale for an additional ten years.

In addition, management expects the scallop business to show improved results over fiscal 2007.

Clearwater will continue to monitor its financial position on a regular basis and review distribution decisions on a quarterly basis in arrears. At the same time, the Trustees and special committee are committed to thoroughly examining all the options available, to maximize unit holder value and foster long-term growth, through the strategic review currently in progress.

Colin MacDonald, Clearwater's CEO stated "We hold significant quotas in our key species, we have leading edge, innovative harvesting and processing technologies and we are vertically integrated. Our business strategies to deliver long-term value are sound. 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."

Colin MacDonald
Chief Executive Officer
Clearwater Seafoods Limited Partnership
May 13, 2008

2008 First Quarter Conference Call and Webcast

Clearwater will review its first quarter financial results via conference call on Tuesday, May 13 at 4:00 p.m. Eastern Time (5:00 p.m. Atlantic). The call will be chaired by Colin MacDonald, Clearwater's Chief Executive Officer, and he will be joined by Robert Wight, the Chief Financial Officer. You can access the call by dialing 800-732-0232 or 416-644-3417. A replay will be available through May 20, 2008 at 877-289-8525 or 416-640-1917 using pass code 21270132 (pound key). To listen to the web cast of this event, please enter <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2254340> in your web browser.

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 first quarter 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

Summary of impact of new inventory accounting standard

The first quarter of 2008 results were prepared in accordance with the new inventory standard issued by the Canadian Institute of Chartered Accountants, effective January 1, 2008 for Clearwater. This standard provides more extensive guidance on the determination of cost and requires that variable overheads, a portion of administration expenses and depreciation be inventoried and as a result, included in the cost of goods sold. This standard was not applied retroactively and prior year numbers were not restated. An adjustment was made to decrease opening deficit to reflect the impact of this standard on the opening inventory figure for January 1, 2008. The first quarter 2007 does not reflect a similar adjustment and therefore the quarters are not readily comparable.

The following table illustrates the impact of the new standard on amounts reported in the first quarter 2008 financial statements.

	Amount prior to application of new standard	Adjustment for new standard	Amount per financial statements
Cost of good sold	\$ 44,883	\$ 5,945	\$ 50,828
Gross profit	12,231	(5,945)	6,286
Administration and selling Depreciation and Amortization	8,693	(2,604)	6,089
	2,756	(2,218)	538
Net loss	\$ (20,246)	\$ (1,123)	\$ (21,369)

Key Financial Figures

Clearwater (\$000's except unit amounts)	13 weeks ended March 29, 2008	13 weeks ended March 31, 2007
Sales	\$ 57,114	\$ 59,095
Net (loss) earnings	\$ (21,369)	\$ 3,668
Basic and diluted net (loss) earnings per unit	\$ (0.42)	\$ 0.07
Cash flows from operating activities	\$ 11,618	\$ 11,379
Distributable cash ¹	\$ (1,457)	\$ (5,901)
Distributions declared ¹	\$ -	\$ 7,916
Weighted Average Units outstanding Limited Partnership Units	51,199,946	52,788,286
Fully diluted	62,397,145	56,713,023

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.

For further information: Robert Wight, Chief Financial Officer, Clearwater, (902) 457-2369; Tyrone Cotie, Director of Corporate Finance and Investor Relations, Clearwater, (902) 457-8181.