



16 August 2012

CONTINUOUS DISCLOSURE STATEMENT

Jury Returns Verdict in San Nikunau Trial

Sanford Limited was today found guilty on the basis of vicarious liability of six of seven counts for the failure of certain engine room crew members to properly maintain the vessel's oil record book in connection with the management of oily wastes aboard the vessel and the obstruction of port state control inspections by the U.S. Coast Guard. The case involved the company's Tuna fishing vessel, *F/V San Nikunau* and was brought by the U.S. Attorney's Office for the District of Columbia and by the Environmental Crimes Section of the Environment and Natural Resources Division of the Department of Justice.

The guilty verdicts were returned by a jury in the US Federal District Court in Washington DC following a two week trial. The case stemmed from a U.S. Coast Guard investigation that commenced in American Samoa in July 2011. The charges were filed in January 2012 and involved conspiracy, false record keeping in respect to oil waste management on the *San Nikunau* on the high seas, and one count involving a discharge in Pago Pago, American Samoa.

Each count carries a maximum penalty of US\$500,000. Sentencing has been set down for November 16 2012.

The company was found not guilty of one obstruction of justice charge.

During the trial the US Government withdrew a forfeiture claim against Sanford for the US\$24m proceeds from the fish catch covering the period of the allegations.

Michael Chalos from the New York based law firm of Chalos O'Connor LLP and Gregory Linsin from the Washington D.C law firm of Blank Rome LLP represented Sanford Limited in the federal court action.

Sanford Managing Director Eric Barratt said from Washington that the decision was naturally disappointing but the case highlights the need to work diligently to properly maintain the required logs and records regarding the management of oily wastes aboard vessels.

-ENDS-

E F Barratt
MANAGING DIRECTOR