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OCEAN CHOICE FILES DEFENCE AND COUNTERCLAIM AGAINST PEI GOVERNMENT

Charlottetown, Prince Edward Island : Canada : Ocean Choice PEI Inc. , a company wholly owned by Ocean Choice International (OCI) , today filed a defence and counterclaim with the Supreme Court of Prince Edward Island against the Government of Prince Edward Island (Government) in response to a lawsuit filed by the Government against OCI. The Government claimed OCI violated provisions of the purchase and sale agreement by which OCI acquired the assets of Polar Foods in April, 2004.

The OCI counter - suit claims the agreement of purchase and sale was already null and void at the time of the allegations cited by the PEI Government because of previous actions by Government which abrogated the agreement.

The OCI claim seeks quantified and unquantified damages of more than 19 million dollars from the PEI Government. This includes forfeit of any further payments set forth under the sales agreement - amounting to 9.75 million dollars.

"I very much regret that we find it necessary to defend ourselves in court," says OCI Chief Operating Officer Blaine Sullivan, ". It is not the route I would have chosen, but the government of PEI has given us no alternative after more than two years of inconclusive negotiations. "

"We lived up to every commitment we made in the sales agreement, including the investment of more than 10.9 million dollars in capital improvements (including 9.5 million dollars in the Souris facility) - until the Government broke faith and abrogated its commitment to us. For that reason, we are not obligated to make further payments on the purchase of the Polar assets."

"We provided jobs and many more millions in economic activity to Eastern Kings County, and the entire PEI economy; and we were pleased to do so."

"We asked for nothing other than the Government live up to its obligations in the sales agreement. The Government elected not to do so. "

"In fact, the Government did not inform us as it was required to do , when it secretly provided financial aid to our competitors."

"We do not believe that constitutes dealing in a manner that is either honest or forthright."

"I was greatly surprised when Premier Ghiz told me he would assist any other on or off island processor - but not Ocean Choice," said Mr. Sullivan.

In its filing, OCI counterclaims the sum of \$9,092,930.56, plus other unquantified damages, against the Government of PEI, citing a sequential series of events by which

the government abrogated the sales agreement.

Under the provisions of the agreement, Ocean Choice International is not required to pay the outstanding balance of the purchase price for the Polar Foods assets if the government breaks the agreement, by (1) issuing further lobster or groundfish processing licences, or (2) providing financial assistance of other benefits to competitors without offering the same benefit pro rata to Ocean Choice.

The counter claim filed by OCI says: "As a result of the breach of Article 10 (1)...Ocean Choice is entitled to a waiver of the remaining payments payable to the province."

OCI's claim is based upon financial assistance given to Mariner Seafoods of Montague (two term loans amounting to \$999,000) in 2006; and financial assistance made to the North Lake Co-Op in 2007; as well as forgiveness of a debt of 1.4 million dollars when the North Lake Co-Op was sold to Ocean Pride Fisheries.

The claim charges the government with deliberately evading regulations preventing transfer of an existing processing licence under the provincial Fisheries Act, by changing the regulations to specifically allow Ocean Pride a processing licence; which amounts to direct contravention of the sales agreement.

The claim further cites 17 million dollars in loans and guarantees given to crab fishermen in 2005 and 2006 to catch and deliver at least a portion of the crab exclusively to Mariner Seafoods, thereby creating a competitive advantage for Mariner, a direct competitor of Ocean Choice.

About OCI

Ocean Choice International is one of Canada's leading vertically integrated seafood harvesting, processing and marketing companies with operations throughout Atlantic Canada and Sales & Marketing offices around the world. As Canada's largest wild fish quota holder OCI is a leader in fishing and processing technology and market development.

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