POMPANO FARMS, LLC.

P.O. Box 1020, Oak Hill, Florida 32759

PROGRESS REPORT FOR JUNE 2009

Industry associate and customers have inquired about the activities and progress of the pompano farming venture ongoing at our mariculture farm in Oak Hill, Florida.

Over the last seven years the firm has been developing business strategies and technical protocols for the commercial farming of the Florida Pompano in low salinity earthen ponds here in the east central Florida area. We have successfully raised Pompano to market size (one pound) in our original pond. Currently, additional ponds are being constructed for this year's production of juvenile pompano. Pond design and depths have been found to be important to a successful outcome.

For the last seven years the firm has also produced at least one commercial, artificial spawn per year of the pompano for our own farming activities. This is unchanged this year, two weeks ago was our first pompano spawn for the 2009 season. The results were normal as we produced 400,000 fertilized eggs from just three female fish. A small portion of those eggs were used in our hatchery facility for larval culture. At this date those larvae are 20 days old. Generally, at the age of 25 to 30 days the larval pompano will be mature and removed from the hatchery. Once that happens, we will then start the process again with a new batch of eggs.

Natural spawning events normally start in April in central Florida for the pompano and finish in August. This year, due to unseasonable cool natural seawater temperatures, the pompano spawn off our local coast did not get underway until early June. The firm has plans to produce three spawns and three hatchery runs this season. Due to the small size of our operational hatchery, we expect to have available about 30,000 pompano fry by September of this year.

A portion of the pompano fry will be distributed into four of our earthen ponds for grow out and some are being reserved for customer sales. The photos below will give the reader some idea as to the size and magnitude of the current project. When finished, each pond will contain approximately one million gallons of water. Depending on the intensity of production methods being used, each pond can produce between 5,000 to 10,000 pounds of fish per year.





In these earthen pond environments the young pompano take about 9 months to grow to one pound fish. In the process of pond farming pompano we have found that the inclusion of the freshwater fish Tilapia, after being acclimated to the saltwater, can increase the marketable fish poundage of pond yield significantly. Generally, the farm has both pompano and tilapia available for local buyers in December. This year, due to the late spawn season, it will be March to April, 2010 before this crop is big enough to sell.

The firm has also been busy this year with many enquiries from parties worldwide who are interested in the farming of the Florida pompano and other species. The worldwide supply of wild high quality and fresh seafood is shrinking year after year while the demand increases year after year. This fact, coupled with our firm's high tech approach for the farming of high quality seafood has produced thousands of visitors to our websites weekly. For those who are not familiar with our technical mariculture sites please visit <u>www.PompanoFarms.com</u> and <u>www.MaricultureTechnology.com</u>.