



For Immediate Release: Statement from BASE, Inc. January 9, 2020

On Tuesday, BASE withdrew the exercise of its right of first refusal to the Rafael assets associated with the Blue Harvest purchase and sales agreement.

In 2018, BASE had requested and received first refusal rights from VII, Northeast Fishery Sector Inc. to protect the interests of independent fishermen in New Bedford. It was not BASE's intention to acquire and own these permits and vessels for BASE's long-term ownership. In fact, it was quite the opposite.

BASE supports and relies upon a diverse client base of fishing companies ranging from the smallest single vessel corporations to the largest vertically integrated companies. This broad range of stakeholders is a strength, not a weakness. This benefits the entire industry.

The size of the Rafael packaged deal with Blue Harvest has been far outside the financial capabilities of not just independent fishermen but most any other corporation that has been historically involved in the groundfish harvesting sector to date. For this reason, BASE felt a responsibility to exercise its right of first refusal.

BASE saw this as an opportunity to more broadly distribute these permits and vessels among independent fishermen who share a mutual interest in this natural resource. BASE intended to sell some of these permits to fishermen involved in the northeast groundfish fishery. Other permits would have been set aside to establish a permit bank. This was intended to significantly benefit New Bedford long-term.

Unfortunately, the folks that encouraged BASE to move forward have now withdrawn their commitments due to Blue Harvest's litigation. While BASE expected to win in Court, Blue Harvest would, of course, appeal the decision thereby making it uncomfortable for prospective buyers to move forward until after the appeal had completed. To make matters worse, the survey of the steel found the vessels to be in much worse condition than expected. These developments made obtaining sufficient financing impossible.

Although BASE withdrew its exercise of right of first refusal, BASE continues to be strongly committed to protecting the rights of independent fishermen that share a mutual interest in the natural resource.

BASE truly appreciates all of those who have expressed support and encouragement throughout this process and thanks the industry members who worked with us in an attempt to facilitate our plan.