

PETER PAN FLEET COOPERATIVE

2005 ANNUAL REPORT

February 1,2006 (Final Report)

PETER PAN SEAFOODS 2005 COOP REPORT:

Final Report

1.0 Introduction:

The 2005 Peter Pan Seafoods Co-Op was allocated 2.728% (17,836 mt) of the Inshore component of the BSAI 2005 pollock TAC.

The individual catcher vessels belonging to the PPSF CoOp were given individual percentages of the Co-Ops allocation based on (confirmed by NMFS) historical catch brought to the PPSF CoOp. This is showed in Table 1-A.

Using information on historical catch history percentages, table 1-B shows you how pollock allocations were given for the entire year.

| TABLE 1-A: | | |
|----------------------------------|----------------------|----------------|
| Fishing Vessel: | Historical poundage: | % |
| AJ | 5,245,848 | 19.95% |
| Amber Dawn | 1,171,713 | 4.46% |
| American Beauty | 352,159 | 1.34% |
| Elizabeth F | 3,688,935 | 14.03% |
| Morning Star | 5,273,093 | 20.06% |
| Ocean Leader | 524,004 | 1.99% |
| Oceanic | 1,289,793 | 4.91% |
| Pacific Challenger | 438,760 | 1.67% |
| Providian | 3,656,200 | 13.91% |
| Topaz | 792,463 | 3.01% |
| Walter N | 3,856,933 | 14.67% |
| TOTAL: | 26,289,901 | 100.00% |
| <i>total history (best of 2)</i> | <i>52,579,802</i> | <i>pounds</i> |

| TABLE 1-B: | | | | |
|--|----------------------|----------------|-------------------|-------------------|
| PPSF boat by boat percentages and pounds: | | | | |
| Fishing Vessel: | Historical poundage: | % | A Season | B Season |
| AJ | 5,245,848 | 19.95% | 3,138,473 | 4,707,710 |
| Amber Dawn | 1,171,713 | 4.46% | 701,010 | 1,051,514 |
| American Beauty | 352,159 | 1.34% | 210,689 | 316,033 |
| Elizabeth F | 3,688,935 | 14.03% | 2,207,007 | 3,310,511 |
| Morning Star | 5,273,093 | 20.06% | 3,154,773 | 4,732,160 |
| Ocean Leader | 524,004 | 1.99% | 313,500 | 470,250 |
| Oceanic | 1,289,793 | 4.91% | 771,654 | 1,157,481 |
| Pacific Challenger | 438,760 | 1.67% | 262,500 | 393,750 |
| Providian | 3,656,200 | 13.91% | 2,187,422 | 3,281,134 |
| Topaz | 792,463 | 3.01% | 474,113 | 711,169 |
| Walter N | 3,856,933 | 14.67% | 2,307,516 | 3,461,275 |
| TOTAL: | 26,289,901 | 100.00% | 15,728,658 | 23,592,986 |

1.1 List of Member Vessels:

| Vessel Name: | ADF&G: | AFA #: |
|---------------------|-------------------|---------------|
| AJ | 57934 | 3405 |
| Amber Dawn | 00028 | 0980 |
| American Beauty | 24255 | 1688 |
| Elizabeth F | 14767 | 0823 |
| Morning Star | 70323 | 6204 |
| Ocean Leader | 00032 | 1229 |
| Oceanic | 03434 | 1667 |
| Pacific Challenger | 06931 | 657 |
| Providian | 70709 | 6308 |
| Topaz | 40250 | 0405 |
| Walter N | 34919 | 0825 |

2.0 Pollock allocations to PPSF Bering Sea CoOp members and actual catch:

Bering Sea Pollock allocations were split up as shown previously in tables 1-A and 1-B.

Bering Sea Pollock catches were recorded and monitored thru the PPSF King Cove shorebased plant office. This is shown to you in table 2-A dealing with the A season and table 2-B dealing with the B season.

TABLE 2-A

| | | |
|----------------------|----------------------------|-----------|
| CoOp Total A: | | MT |
| 15,728,658 | allocated for A | 7134.4 |
| 15,427,612 | Total Harvested | 6997.8 |
| 301,046 | Allocated pounds remaining | 136.6 |

DATE CATCHER VESSE Fish Ticket #: Pounds delivered: Pounds remaining:

| | | | | |
|-----------|--------------------|------------|---------------|-----------|
| AJ | | | A allocation: | 3,138,473 |
| 27-Jan | Ocean Leader | G04 002606 | 6,722 | |
| 14-Feb | Oceanic | G04 002752 | 6,518 | |
| 17-Feb | Oceanic | G04 002755 | 158,988 | |
| 22-Feb | Oceanic | G04 002759 | 518,373 | |
| 1-Mar | Elizabeth F | G04 002766 | 229,459 | |
| 1-Mar | Walter N | G04 002765 | 111,259 | |
| 2-Mar | Pacific Challenger | G04 002767 | 12,112 | |
| 3-Feb | Ocean Leader | G04 002613 | 28,059 | |
| 4-Mar | Walter N | G04 002768 | 271,498 | |
| 4-Mar | Elizabeth F | G04 002769 | 174,810 | |
| 6-Mar | Walter N | G04 002772 | 353,156 | |
| 7-Mar | Elizabeth F | G04 002774 | 254,072 | |
| 13-Mar | Oceanic | G04 002735 | 563,278 | |
| 18-Mar | Oceanic | G04 002736 | 385,282 | |
| | | | 3,073,586 | 64,887 |

| | |
|------------------|-----------|
| > 99 inside: | 4,909,644 |
| American Beaut | 541,720 |
| Ocean Leader | 430,866 |
| American Beaut | 553,833 |
| Ocean Leader | 439,914 |
| American Beaut | 476,006 |
| Ocean Leader | 235,082 |
| American Beaut | 140,972 |
| Oceanic | 496,686 |
| American Beaut | 470,888 |
| Oceanic | 505,818 |
| Oceanic | 374,056 |
| Harvested inside | 4,665,841 |
| Left inside | 243,803 |

| | | | | |
|-------------------|--------------------|------------|---------------|---------|
| Amber Dawn | | | A allocation: | 701,010 |
| 26-Feb | Pacific Challenger | G04 002764 | 598,294 | |
| 2-Mar | Pacific Challenger | G04 002767 | 88,222 | |
| | | | 686,516 | 14,494 |

| | |
|---------------------------------|-----------|
| Under 99 inside the box: | |
| Total pounds: | 8,408,344 |
| Harvested: | 5,834,362 |
| Remaining: | 2,573,982 |

| | | | | |
|-------------------------------------|-----------------|------------|---------------|---------|
| American Beauty/Ocean Leader | | | A allocation: | 524,189 |
| 26-Jan | American Beauty | G04 002605 | 209,037 | |
| 27-Jan | Ocean Leader | G04 002606 | 304,314 | |
| | | | 513,351 | 10,838 |

| | | | | |
|--------------------|-------------|------------|---------------|-----------|
| Elizabeth F | | | A allocation: | 2,207,007 |
| 5-Feb | Elizabeth F | G01 000907 | 212,782 | |
| 7-Feb | Elizabeth F | G04 002622 | 253,269 | |
| 10-Feb | Elizabeth F | G04 002625 | 131,527 | |
| 13-Feb | Elizabeth F | G04 002751 | 274,115 | |
| 16-Feb | Elizabeth F | G04 002754 | 207,647 | |
| 21-Feb | Elizabeth F | G04 002757 | 194,604 | |
| 22-Feb | Elizabeth F | G04 002760 | 266,114 | |
| 25-Feb | Elizabeth F | G04 002673 | 310,644 | |
| 27-Feb | Elizabeth F | G04 002731 | 268,969 | |
| 1-Mar | Elizabeth F | G04 002766 | 50,957 | |
| | | | 2,170,628 | 36,379 |

| | | | | |
|---------------------|-----------------|------------|---------------|-----------|
| Morning Star | | | A allocation: | 3,154,773 |
| 3-Feb | Ocean Leader | G04 002613 | 143,814 | |
| 4-Feb | American Beauty | G04 002615 | 474,526 | |
| 5-Feb | Ocean Leader | G02 003540 | 400,439 | |
| 5-Feb | American Beauty | G04 002620 | 469,907 | |
| 11-Feb | American Beauty | G04 002726 | 470,888 | |
| 14-Feb | Oceanic | G04 002752 | 237,051 | |
| 14-Feb | American Beauty | G04 002753 | 431,445 | |
| 17-Feb | Oceanic | G04 002755 | 215,068 | |
| 18-Mar | Oceanic | G04 002736 | 136,789 | |
| 19-Mar | Ocean Leader | G04 002738 | 109,621 | |
| | | | 3,089,548 | 65,225 |

TABLE 2-A (cont.)

| | | | | |
|---------------------------|--------------------|------------|---------------|-----------|
| Pacific Challenger | | | A allocation: | 262,500 |
| 2-Mar | Pacific Challenger | G04 002767 | 11,290 | |
| 19-Mar | Ocean Leader | G04 002738 | 245,783 | |
| | | | 257,073 | 5,427 |
| Providian | | | A allocation: | 2,187,422 |
| 26-Jan | American Beauty | G04 002605 | 332,683 | |
| 27-Jan | Ocean Leader | G04 002606 | 119,830 | |
| 28-Jan | American Beauty | G04 002608 | 553,833 | |
| 30-Jan | Ocean Leader | G04 002610 | 439,914 | |
| 1-Feb | American Beauty | G04 002612 | 476,006 | |
| 3-Feb | Ocean Leader | G04 002613 | 219,931 | |
| | | | 2,142,197 | 45,225 |
| Oceanic | | | A allocation: | 771,654 |
| 10-Feb | Oceanic | G04 002624 | 496,686 | |
| 14-Feb | Oceanic | G04 002752 | 262,249 | |
| | | | 758,935 | 12,719 |
| Topaz | | | A allocation: | 474,113 |
| 2-Mar | Pacific Challenger | G04 002767 | 466,298 | |
| | | | 466,298 | 7,815 |
| Walter N | | | A allocation: | 2,307,516 |
| 12-Feb | Walter N | G04 002727 | 304,100 | |
| 15-Feb | Walter N | G04 014499 | 325,927 | |
| 18-Feb | Walter N | G04 002756 | 358,058 | |
| 21-Feb | Walter N | G04 002758 | 354,192 | |
| 24-Feb | Walter N | G04 002762 | 386,054 | |
| 27-Feb | Walter N | G04 002730 | 336,710 | |
| 1-Mar | Walter N | G04 002765 | 204,439 | |
| | | | 2,269,480 | 38,036 |

TABLE 2-B

| | | |
|----------------------|----------------------------|-----------|
| CoOp Total B: | | MT |
| 23,592,986 | allocated for B | 10701.6 |
| 22,681,214 | Total Harvested | 10288.0 |
| 911,772 | Allocated pounds remaining | 413.6 |

| Fish Ticket #: | Pounds delivered: | Pounds remaining: |
|----------------|-------------------------------|-------------------------|
| AJ | | B allocation: 4,707,710 |
| 27-Jun-05 | Oceanic G04 014167 | 377,425 |
| 30-Jun-05 | Oceanic G04 014170 | 508,719 |
| 4-Jul-05 | Oceanic G04 014173 | 484,583 |
| 16-Jul-05 | Walter N G04 013261 | 319,071 |
| 22-Jul-05 | Walter N G04 013267 | 108,275 |
| 24-Jul-05 | Oceanic G04 013269 | 556,361 |
| 27-Jul-05 | Walter N G04 013272 | 47,293 |
| 28-Jul-05 | Oceanic G04 013273 | 581,085 |
| 18-Aug-05 | Oceanic G04 013290 | 482,149 |
| 22-Aug-05 | Oceanic G04 013294 | 565,827 |
| 23-Sep-05 | American Beauty G04 003601 | 470,949 |
| 20-Oct-05 | Pacific Challenger G04 013177 | 188,476 |
| | | 4,690,213 17,497 |

| | | |
|-------------------|-------------------------------|-------------------------|
| Amber Dawn | | B allocation: 1,051,514 |
| 8-Oct-05 | Pacific Challenger G04 013176 | 224,636 |
| 20-Oct-05 | Pacific Challenger G04 013177 | 329,952 |
| | | 554,588 496,926 |

| | | |
|-------------------------------------|----------------------------|-----------------------|
| American Beauty/Ocean Leader | | B allocation: 786,283 |
| 12-Jun-05 | American Beauty G04 002740 | 310,824 |
| 12-Jun-05 | Ocean Leader G04 002741 | 357,657 |
| 15-Jun-05 | Ocean Leader G04 002744 | 113,570 |
| | | 782,051 4,232 |

| | | |
|--------------------|------------------------|-------------------------|
| Elizabeth F | | B allocation: 3,310,511 |
| 11-Jun-05 | Elizabeth F G04 002739 | 281,153 |
| 13-Jun-05 | Elizabeth F G04 002742 | 209,275 |
| 15-Jun-05 | Elizabeth F G04 002746 | 278,586 |
| 18-Jun-05 | Elizabeth F G04 014152 | 283,131 |
| 21-Jun-05 | Elizabeth F G04 014157 | 257,434 |
| 23-Jun-05 | Elizabeth F G04 014161 | 268,866 |
| 25-Jun-05 | Elizabeth F G04 014164 | 174,319 |
| 28-Jun-05 | Elizabeth F G04 014168 | 275,485 |
| 1-Jul-05 | Elizabeth F G04 014171 | 240,678 |
| 5-Jul-05 | Elizabeth F G04 014174 | 219,984 |
| 8-Jul-05 | Elizabeth F G04 013253 | 186,303 |
| 12-Jul-05 | Elizabeth F G04 013257 | 57,617 |
| 19-Jul-05 | Walter N G04 013265 | 319,825 |
| 22-Jul-05 | Walter N G04 013267 | 240,036 |
| | | 3,292,692 17,819 |

| | | |
|---------------------|-------------------------------|-------------------------|
| Morning Star | | B allocation: 4,732,160 |
| 12-Jun-05 | American Beauty G04 002740 | 177,206 |
| 14-Jun-05 | American Beauty G04 012199 | 204,085 To UniSea DTH |
| 17-Jun-05 | American Beauty G04 002750 | 425,731 |
| 19-Jun-05 | American Beauty G04 014155 | 472,889 |
| 5-Jul-05 | Ocean Leader G04 014175 | 343,806 |
| 8-Jul-05 | Ocean Leader G04 013254 | 414,601 |
| 11-Jul-05 | Ocean Leader G04 013256 | 414,782 |
| 27-Jul-05 | Walter N G04 013272 | 200,000 |
| 30-Jul-05 | American Beauty G04 013274 | 434,784 |
| 3-Aug-05 | American Beauty G04 013276 | 430,500 |
| 18-Aug-05 | Ocean Leader G04 013289 | 350,433 |
| 24-Aug-05 | Ocean Leader G04 013296 | 396,319 |
| 1-Sep-05 | Ocean Leader G04 013300 | 257,353 |
| 5-Sep-05 | Ocean Leader G05 002021 | 114,502 To Trident AKU |
| 20-Oct-05 | Pacific Challenger G04 013177 | 90,956 |
| | | 4,727,947 4,213 |

TABLE 2-B (cont.)

| Pacific Challenger | | | B allocation: | 393,750 |
|---------------------------|--------------------|------------|---------------|---------|
| 8-Oct-05 | Pacific Challenger | G04 013176 | 393,750 | |
| | | | 393,750 | 0 |

| Providian: | | | B allocation: | 3,281,134 |
|-------------------|-----------------|------------|---------------|-----------|
| 15-Jun-05 | Ocean Leader | G04 002744 | 209,093 | |
| 18-Jun-05 | Ocean Leader | G04 014151 | 346,252 | |
| 20-Jun-05 | Ocean Leader | G04 014156 | 387,050 | |
| 23-Jul-05 | American Beauty | G04 013268 | 458,049 | |
| 26-Jul-05 | American Beauty | G04 013271 | 453,297 | |
| 7-Aug-05 | American Beauty | G04 013280 | 404,993 | |
| 20-Aug-05 | Ocean Leader | G04 013292 | 466,580 | |
| 30-Aug-05 | Ocean Leader | G04 013299 | 433,488 | |
| 1-Sep-05 | Ocean Leader | G04 013300 | 122,332 | |
| | | | 3,281,134 | (0) |

| Oceanic | | | B allocation: | 1,157,481 |
|----------------|---------|------------|---------------|-----------|
| 16-Jun-05 | Oceanic | G04 002747 | 516,672 | |
| 24-Jun-05 | Oceanic | G04 014163 | 511,878 | |
| 27-Jun-05 | Oceanic | G04 014167 | 122,701 | |
| | | | 1,151,251 | 6,230 |

| Topaz | | | B allocation: | 711,169 |
|--------------|-------|------------|---------------|---------|
| 4-Aug-05 | Topaz | G01 013278 | 200,418 | |
| 9-Aug-05 | Topaz | G04 013281 | 85,129 | |
| 14-Aug-05 | Topaz | G04 013286 | 79,396 | |
| | | | 364,943 | 346,226 |

| Walter N | | | B allocation: | 3,461,275 |
|-----------------|----------|------------|---------------|-----------|
| 14-Jun-05 | Walter N | G04 002743 | 217,447 | |
| 16-Jun-05 | Walter N | G04 002749 | 378,829 | |
| 19-Jun-05 | Walter N | G04 014153 | 369,532 | |
| 21-Jun-05 | Walter N | G04 014159 | 378,881 | |
| 24-Jun-05 | Walter N | G04 014162 | 360,051 | |
| 26-Jun-05 | Walter N | G04 014165 | 319,269 | |
| 28-Jun-05 | Walter N | G04 014169 | 361,147 | |
| 02-Jul-05 | Walter N | G04 014172 | 255,374 | |
| 06-Jul-05 | Walter N | G04 013252 | 287,015 | |
| 09-Jul-05 | Walter N | G04 013255 | 210,261 | |
| 13-Jul-05 | Walter N | G04 013258 | 288,492 | |
| 16-Jul-05 | Walter N | G04 013261 | 16,347 | |
| | | | 3,442,645 | 18,630 |

3.0 CO-OP CATCHER VESSEL SIDEBOARD LIMITATIONS, BSAI & GOA.

Peter Pan Seafoods Co-Op for the year 2005 fishing season was made up of 11 catch histories.

- ** Of the PPSF co-ops 11 catch histories, there are 7 vessels participating in the harvest of these allocations.
- ** 4 of these 7 vessels were Non-Exempt vessels fishing in both the mothership and the shoreside sectors.
- ** The other 3 vessels were under 99 GOA Exempt vessels
- ** It is to the understanding of the PPSF Co-OP that these vessels fishing both mothership and shoreside sectors we're to be monitored by the mothership sector.

BSAI P. Cod fishing:

- ** Only one of these vessels participated in this fishery
This vessel was; also fishing for, and being monitored by, the Mothership sector.

GOA Sideboard cod fisheries:

- ** None of the PPSF non-exempt vessels participated in this fishery.

Directed Yellowfin and other flatfish fisheries:

- ** None of the PPSF non-exempt vessels participated in this fishery.

GOA Exempt Vessels GOA Harvest:

| F/V Topaz | Pounds | F/V Walter N | Pounds | F/V Elizabeth F | Pounds |
|---------------------|---------------|---------------------|---------------|------------------------|---------------|
| Alaska Plaice | 1,482 | Arrowtooth flounder | 41,552 | Arrowtooth flounder | 42,536 |
| Arrowtooth flounder | 715,484 | Big skate | 33 | Big skate | 2,578 |
| Chinook | 1,795 | Chinook | 771 | Chinook | 414 |
| Chum | 171 | Chum | 18 | Chum | 20 |
| Dover Sole | 216,168 | Dogfish | 517 | Dogfish | 345 |
| Dusky Rockfish | 232,526 | Flathead sole | 2,627 | Dover sole | 6 |
| Eels or Eel-like | 7 | Grenadier | 34,248 | Dusky rockfish | 8 |
| Flathead sole | 148,722 | halibut | 151,863 | Flathead sole | 3,952 |
| Grenadier | 274,405 | Lingcod | 99 | Grenadier | 1,000 |
| halibut | 15,434 | Lumpsucker | 171 | halibut | 3,297 |
| Idiot Rockfish | 6,250 | Pacific cod | 357,580 | Jellyfish | 517 |
| Lingcod | 1,727 | Pacific Ocean perch | 2,015 | Lingcod | 940 |
| Northern Rockfish | 290,557 | Pollock | 1,992,394 | Lumpsucker | 32 |
| Pacific cod | 1,014,254 | Rock sole | 19,577 | Northern rockfish | 15 |
| Pacific Ocean perch | 337,730 | Sablefish | 8 | Pacific cod | 537,938 |
| Pollock | 4,077,682 | Salmon shark | 2,700 | Pollock | 1,626,110 |
| RedbandedRockfish | 14 | Shorthead rockfish | 4,371 | Redbanded rockfish | 10 |
| Rex Sole | 8,999 | Sidestripe shrimp | 6 | Rex sole | 236 |
| Rock sole | 952,709 | Skate, general | 903 | Rock sole | 15,003 |
| Rockfish Roughey | 1,382 | Sleeper shark | 12,550 | Roughey rockfish | 63 |
| Rockfish Thornyhead | 20,728 | Smelt, capelin | 49,700 | Sablefish | 27 |
| Rockfish Yelloweye | 492 | Squid | 32,682 | Salmon shark | 2,500 |
| Sablefish | 45,182 | Starry flounder | 7 | Shorthead rockfish | 148 |
| Sculpin | 2,000 | Yelloweye rockfish | 3,009 | Sidestripe shrimp | 5 |
| Shark Sleeper | 10,871 | | | Skate, general | 186 |
| Shark Spiny Dogfish | 300 | | | Sleeper shark | 2,600 |
| Shorthead rockfish | 3,000 | | | Smelt, capelin | 19,695 |
| Skate, longnose | 88,797 | | | Smelt, eulachon | 192 |
| Skate, general | 23,841 | | | Squid | 3,138 |
| Smelt, eulachon | 22,617 | | | | |
| Squid | 59,139 | | | | |
| Starry flounder | 23,592 | | | | |

4.0 PSC USAGE BY THE PPSF CO-OP FISHING VESSELS

(Pollock Deliveries Only 2005)

| Fishing Vessel | ADF&G Number | Area | 200 Halibut | 931 Bairdi Crab | 932 Opilio Crab | 921 Red Crab | 922 Blue King Crab | 410 King Salmon | 450 Chum Salmon | 420 Sockeye Salmon | 440 Pink Salmon | 430 Coho Salmon | 910 Dungeness Crab | 235 Herring lbs. |
|--------------------|--------------|------|----------------|-----------------------|-----------------------|--------------------|--------------------------|-----------------------|-----------------------|--------------------------|-----------------------|-----------------------|--------------------------|------------------------|
| AMERICAN BEAUTY | 24255 | BSAI | 103 | 0 | 0 | 0 | 0 | 99 | 574 | 4 | 1 | 0 | 1 | 1,519 |
| ELIZABETH F | 14767 | BSAI | 10 | 0 | 0 | 0 | 0 | 72 | 432 | 2 | 0 | 0 | 0 | 374 |
| OCEAN LEADER | 32 | BSAI | 13 | 4 | 1 | 0 | 0 | 50 | 1,090 | 0 | 0 | 0 | 0 | 203 |
| OCEANIC | 3404 | BSAI | 243 | 0 | 0 | 0 | 0 | 72 | 924 | 1 | 1 | 0 | 0 | 549 |
| Pacific Challenger | 6931 | BSAI | 7 | 0 | 0 | 0 | 0 | 460 | 1,407 | 0 | 0 | 0 | 0 | 1 |
| TOPAZ | 40250 | BSAI | 0 | 0 | 0 | 0 | 0 | 25 | 260 | 0 | 3 | 11 | 0 | 314 |
| WALTER N | 34919 | BSAI | 25 | 0 | 0 | 0 | 0 | 51 | 1,000 | 0 | 4 | 1 | 0 | 453 |

MUNDT MACGREGOR L.L.P.
ATTORNEYS AT LAW

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December 15, 2005

R. Shawn Griggs
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RECEIVED
DEC 19 2005
N.P.F.M.C.

Mr. Chris Oliver
Executive Director
North Pacific Fishery Management Council
605 West Fourth, Suite 306
Anchorage, Alaska 99501-2252

SENT VIA E-MAIL

Re: Peter Pan Fleet Cooperative

Dear Mr. Oliver:

Enclosed please find the following documents related to the above-referenced cooperative:

- Agreement to Process dated as of December 1, 2005; and
- 2006 Addendum to Membership Agreement.

We have been informed that the AMBER DAWN has been officially replaced by the PACIFIC CHALLENGER whose owner is Pacific Dawn LLC, and that the new owner of the OCEANIC is Oceanic Fisheries LLC. The Harvest Schedule to the 2006 Addendum has been left blank because the required adjustments to the allocations won't be know until after the Cooperative receives their new allocation from NMFS. As soon as we have the necessary information, we will prepare an amendment to the Membership Agreement and send you a copy in due course. We anticipate that this will happen sometime in late January.

Other than the changes listed above, to the best of our knowledge there have been no amendments to the Membership Agreement since the First Amendment to Membership Agreement dated as of January 16, 2003.


Mr. Chris Oliver
December 15, 2005
Page 2

MUNDT MACGREGOR L.L.P.
A T T O R N E Y S A T L A W

Please do not hesitate to contact us if you have any questions.

Sincerely yours,

MUNDT MacGREGOR L.L.P.


Vonnie M. Bayard
Paralegal

Enclosures

cc: Mr. Dale Schwarzmiller (via e-mail)
Ms. Sue Salveson (via e-mail)
Mr. Joseph M. Sullivan (w/encl.)

U:\VMB\COOPS\L OLIVER 2006 2859-001A.DOC

AGREEMENT TO PROCESS

THIS AGREEMENT TO PROCESS is entered into as of December 1, 2005, by PETER PAN SEAFOODS, INC., a Washington corporation ("Peter Pan"), with reference to the following facts:

A. The American Fisheries Act (the "Act") authorizes the Secretary of Commerce to reserve portions of the Bering Sea/ Aleutian Islands ("BS/ AI") pollock inshore directed fishing allowance for harvesting only by members of qualifying fishery cooperatives.

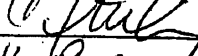
B. Under the Act, a contract implementing a qualifying fishery cooperative must specify that (i) other than as permitted under Section 210(b)(6) of the Act, the cooperative's catcher vessels will deliver pollock in the BS/ AI directed pollock fishery only to the processor to which such vessels delivered the predominant amount of their shoreside pollock catch in the prior year, and (ii) such processor has agreed to process such pollock.

C. The owners of eighty percent (80%) of the catcher vessels that delivered more pollock to the Peter Pan plant in King Cove, Alaska (the "Plant") in the last year in which the vessels engaged in directed fishing for pollock for delivery to the inside sector have agreed, subject to the provisions of Section 210(b)(6) of the Act and related provisions in the Peter Pan Fleet Cooperative (the "Cooperative") Membership Agreement, to deliver pollock from the BS/ AI directed pollock fishery only to the Plant.

D. Peter Pan is willing to agree to process the BS/ AI directed pollock fishery harvest of the Cooperative's members' vessels, to enable the Cooperative to obtain an allocation of BS/ AI pollock under Section 210 of the Act.

NOW, THEREFORE, Peter Pan hereby agrees to purchase and process pollock harvested in the BS/ AI directed pollock fishery by the Cooperative's members' catcher vessels, on terms and conditions to be agreed upon by and between Peter Pan and such vessels' owners. Peter Pan hereby acknowledges and agrees that, pursuant to Section 210(b)(6) of the Act, such vessels may deliver up to ten percent (10%) of the Cooperative's BS/ AI pollock allocation to qualified shoreside processors other than Peter Pan.

PETER PAN SEAFOODS, INC.

By 
Its Vi. Pres.

PETER PAN FLEET COOPERATIVE

MEMBERSHIP AGREEMENT

2006 ADDENDUM

Each of the undersigned hereby acknowledges and agrees that the terms and conditions of the Peter Pan Fleet Cooperative Membership Agreement dated as of December 17, 1999, as amended by that First Amendment to Membership Agreement dated as of January 16, 2003, shall be in full force and effect among the undersigned for the year 2006, and that Exhibit A attached hereto replaces in its entirety Exhibit A to the Membership Agreement and to all prior addenda thereto.

In addition, each of the undersigned hereby certifies that the vessel on behalf of which it is executing this Addendum: (i) delivered more pollock to Peter Pan Seafoods, Inc. than to any other AFA inshore processor in the last year in which the vessel engaged in directed fishing for pollock in the BSAI for delivery to the inshore sector; (ii) is a qualified catcher vessel; (iii) is otherwise eligible to fish for groundfish in the BSAI; (iv) has an AFA catcher vessel permit with an inshore endorsement; and (v) has no permit sanctions or other type of sanctions against it that would prevent it from fishing for groundfish in the BSAI.

Dated effective as of December 1, 2005.

F/V AJ
F/V AJ, LLC

By: [Signature]
Its: MANAGER OF F/V AJ, LLC.

F/V WALTER N
Elizabeth F., Inc.

By: _____ ✓
Its: _____

F/V AMERICAN BEAUTY
Alakanuk Beauty, L.L.C.

By: [Signature]
Its: Member

F/V ELIZABETH F
Elizabeth F., Inc.

By: _____ ✓
Its: _____

[SIGNATURES CONTINUED ON PAGE 2]

PETER PAN FLEET COOPERATIVE

MEMBERSHIP AGREEMENT

2006 ADDENDUM

Each of the undersigned hereby acknowledges and agrees that the terms and conditions of the Peter Pan Fleet Cooperative Membership Agreement dated as of December 17, 1999, as amended by that First Amendment to Membership Agreement dated as of January 16, 2003, shall be in full force and effect among the undersigned for the year 2006, and that Exhibit A attached hereto replaces in its entirety Exhibit A to the Membership Agreement and to all prior addenda thereto.

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Dated effective as of December 1, 2005.

F/V AJ
F/V AJ, LLC

By: _____
Its: _____

F/V AMERICAN BEAUTY
Alakanuk Beauty, L.L.C.

By: _____
Its: _____

F/V WALTER N
Elizabeth F., Inc.

By: M. Martin
Its: PRESIDENT

F/V ELIZABETH F
Elizabeth F., Inc.

By: M. Martin
Its: PRESIDENT

[SIGNATURES CONTINUED ON PAGE 2]

PETER PAN FLEET COOPERATIVE

MEMBERSHIP AGREEMENT

2006 ADDENDUM

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In addition, each of the undersigned hereby certifies that the vessel on behalf of which it is executing this Addendum: (i) delivered more pollock to Peter Pan Seafoods, Inc. than to any other AFA inshore processor in the last year in which the vessel engaged in directed fishing for pollock in the BSAI for delivery to the inshore sector; (ii) is a qualified catcher vessel; (iii) is otherwise eligible to fish for groundfish in the BSAI; (iv) has an AFA catcher vessel permit with an inshore endorsement; and (v) has no permit sanctions or other type of sanctions against it that would prevent it from fishing for groundfish in the BSAI.

Dated effective as of December 1, 2005.

F/V AJ
F/V AJ, LLC

F/V WALTER N
Elizabeth F., Inc.

By: _____
Its: _____

By: _____
Its: _____

F/V AMERICAN BEAUTY
Alakapuk Beauty, L.L.C.

F/V ELIZABETH F
Elizabeth F., Inc.

By: Don Fleury
Its: MGR

By: _____
Its: _____

[SIGNATURES CONTINUED ON PAGE 2]

F/V MORNING STAR
Doris Martin LLC

By: _____
Its: _____

F/V OCEAN LEADER
Emmonak Leader, L.L.C.

By: _____ ✓
Its: _____

F/V OCEANIC
Oceanic and Owners, Inc.

By: _____ ✓
Its: _____

F/V PACIFIC CHALLENGER
Pacific Dawn, LLC

By: _____ ✓
Its: _____

F/V PROVIDIAN
Ocean Spray Partnership

By: _____
Its: OSP OPS

F/V TOPAZ
Topaz Partnership

By: _____ ✓
Its: _____

PETER PAN FLEET COOPERATIVE

By: _____ ✓
William E. Oliver, President

F/V MORNING STAR
Doña Martita LLC

By: _____
Its: _____

F/V OCEAN LEADER
Emmonak Leader, L.L.C.

By: _____
Its: _____

F/V OCEANIC
Oceanic and Owners, Inc.

By: _____
Its: _____

F/V PACIFIC CHALLENGER
Pacific Dawn, LLC

By: _____
Its: _____

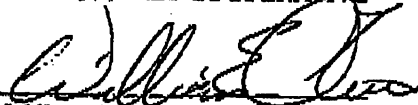
F/V PROVIDIAN
Ocean Spray Partnership

By: _____
Its: _____

F/V TOPAZ
Topaz Partnership

By: _____
Its: _____

PETER PAN FLEET COOPERATIVE

By: 
William E. Oliver, President

F/V MORNING STAR
Doña Martita LLC

By: _____
Its: _____

F/V OCEAN LEADER
Emmonak Leader, L.L.C.

By: Don Henry
Its: MEP

F/V OCEANIC
Oceanic and Owners, Inc.

By: _____
Its: _____

F/V PACIFIC CHALLENGER
Pacific Dawn, LLC

By: Christopher D. Blaw
Its: Manager

F/V PROVIDIAN
Ocean Spray Partnership

By: _____
Its: _____

F/V TOPAZ
Topaz Partnership

By: _____
Its: _____

PETER PAN FLEET COOPERATIVE

By: _____
William E. Oliver, President

F/V MORNING STAR
Doña Martita LLC

By: _____
Its: _____

F/V OCEAN LEADER
Emmonak Leader, L.L.C.

By: [Signature]
Its: MR. [Signature]

F/V OCEANIC
Oceanic Fisheries LLC

By: [Signature]
Its: MBR

F/V PACIFIC CHALLENGER
Pacific Dawn, LLC

By: _____
Its: _____

F/V PROVIDIAN
Ocean Spray Partnership

By: _____
Its: _____

F/V TOPAZ
Topaz Partnership

By: _____
Its: _____

PETER PAN FLEET COOPERATIVE

By: _____
William E. Oliver, President

F/V MORNING STAR
Dofia Martita LLC

By: _____
Its: _____

F/V OCEAN LEADER
Emmonak Leader, L.L.C.

By: _____
Its: _____

F/V OCEANIC
Oceanic and Owners, Inc.

By: _____
Its: _____

F/V PACIFIC CHALLENGER
Pacific Dawn, LLC

By: _____
Its: _____

F/V PROVIDIAN
Ocean Spray Partnership

By: _____
Its: _____

F/V TOPAZ
Topaz Partnership

By: Mark Chandler
Its: Mark Chandler, Gen. Partner

PETER PAN FLEET COOPERATIVE

By: _____
William E. Oliver, President

F/V MORNING STAR
Dona Mantita LLC

By: [Signature]
Its: [Signature]

F/V OCEAN LEADER
Emmonak Leader, L.L.C.

By: _____
Its: _____

F/V OCEANIC
Oceanic and Owners, Inc.

By: _____
Its: _____

F/V PACIFIC CHALLENGER
Pacific Dawn, LLC

By: _____
Its: _____

F/V PROVIDIAN
Ocean Spray Partnership

By: _____
Its: _____

F/V TOPAZ
Topaz Partnership

By: _____
Its: _____

PETER PAN FLEET COOPERATIVE

By: _____
William E. Oliver, President

F/V MORNING STAR
Dona Maceta LLC

By: [Signature]
Its: [Signature]

F/V OCEAN LEADER
Emmonak Leader, L.L.C.

By: _____
Its: _____

F/V OCEANIC
Oceanic and Owners, Inc.

By: _____
Its: _____

F/V PACIFIC CHALLENGER
Pacific Dawn, LLC

By: _____
Its: _____

F/V PROVIDIAN
Ocean Spray Partnership

By: [Signature]
Its: [Signature]

F/V TOPAZ
Topaz Partnership

By: _____
Its: _____

PETER PAN FLEET COOPERATIVE

By: _____
William E. Oliver, President

F/V MORNING STAR
Doña Martita LLC

By: _____
Its: _____

F/V OCEAN LEADER
Emmonak Leader, L.L.C.

By: [Signature]
Its: Member

F/V OCEANIC
Oceanic Fisheries LLC

By: Erin Langrath
Its: MSR

F/V PACIFIC CHALLENGER
Pacific Dawn, LLC

By: [Signature]
Its: Member

F/V PROVIDIAN
Ocean Spray Partnership

By: _____
Its: _____

F/V TOPAZ
Topaz Partnership

By: _____
Its: _____

PETER PAN FLEET COOPERATIVE

By: _____
William E. Oliver, President

EXHIBIT A

PETER PAN FLEET COOPERATIVE
2006 ADDENDUM

BERING SEA/ALEUTIAN ISLANDS POLLOCK FISHERY
HARVEST SCHEDULE

| MEMBER | VESSEL | PERCENTAGE OF ALLOCATION |
|--------------------------|--------------------|--------------------------|
| F/V AJ, LLC | AJ | ____% |
| Alakanuk Beauty, L.L.C. | AMERICAN BEAUTY | ____% |
| Elizabeth F., Inc. | ELIZABETH F | ____% |
| Dofia Martita LLC | MORNING STAR | ____% |
| Emmonak Leader, L.L.C. | OCEAN LEADER | ____% |
| Oceanic and Owners, Inc. | OCEANIC | ____% |
| Pacific Dawn, LLC | PACIFIC CHALLENGER | ____% |
| Oceanic Fisheries LLC | PROVIDIAN | ____% |
| Topaz Partnership | TOPAZ | ____% |
| Elizabeth F., Inc | WALTER N | ____% |
| Total | | 100% |