



CELL AQUACULTURE LIMITED
ACN 091 687 740

**NOTICE OF ANNUAL GENERAL MEETING,
EXPLANATORY STATEMENT AND
PROXY FORM**

**For an Annual General Meeting to be held on
Friday, 24 November 2006 at 1.00 pm (WST)
at the Company's office, 66 Bennett Avenue, Hamilton Hill, Western Australia**

***This is an important document. Please read it carefully.
If you are in doubt as to what you should do, please contact the Company, your
stockbroker or other professional adviser.***

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TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

An annual general meeting of the shareholders of Cell Aquaculture Ltd will be held at:

**The Company's Office
66 Bennett Avenue
Hamilton Hill, Western Australia**

**Commencing
1.00pm (WST)
on 24 November 2006**

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 1.00 pm (WST).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Memorandum as soon as possible and either:

- send the proxy form by facsimile to the Company on facsimile number (08) 9336 7111 (International: + 61 8 9336 7111); or
- deliver or post the proxy form to the Company's registered office at 66 Bennett Avenue, Hamilton Hill WA 6163 or postal address PO Box 251, Hamilton Hill WA 6160.

so that it is received not later than 1.00 pm (WST) on 22 November 2006. Proxy forms received later than this time will be invalid.

Your proxy form is enclosed at the end of this Memorandum.

CELL AQUACULTURE LIMITED
ACN 091 687 740

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Cell Aquaculture Limited (**Cell Aquaculture** or **Company**) will be held at the Company's office, 66 Bennett Avenue, Hamilton Hill, Western Australia at 1.00 pm (WST) on Friday, 24 November 2006.

AGENDA

BUSINESS

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered and terms used in this Notice have the meaning given to them in the Explanatory Statement.

1. Reports and Accounts

To receive and consider the financial report and the reports of the Directors and of the Auditor for the financial year ended 30 June 2006.

2. Resolution 1 – Adoption of Remuneration Report

To adopt the remuneration report for the financial year ended 30 June 2006.

Short Explanation: Consistent with section 250R of the Corporations Act 2001, the Company submits to shareholders for consideration and adoption by way of a non-binding resolution its Remuneration Report for the year ended 30 June 2006. Please refer to the Explanatory Statement for further details.

Note – the vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Resolution 2 – Re-election of Mr Perryman J Leach

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Perryman J Leach, who will retire at the close of the Annual General Meeting in accordance with clause 11.1 of the Company’s Constitution and being eligible offers himself for re-election, be re-elected as a director of the Company.”

Short Explanation: Clause 11.1 of the Company's Constitution provides that at every annual general meeting, one-third of the Directors, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office. A retiring Director is eligible for re-election. Please refer to the Explanatory Statement for further details.

4. Resolution 3 – Election of Mr Robert I S Sewell

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Robert I S Sewell, who will retire at the close of the Annual General Meeting in accordance with clause 11.4 of the Company’s Constitution and being eligible offers himself for election, be elected as a director of the Company.”

Short Explanation: Clause 11.4 of the Company's Constitution provides that a Director appointed during the year shall only hold office until the next annual general meeting of the Company and is then eligible for election. Please refer to the Explanatory Statement for further details.

5. Resolution 4 – Election of Dr Rocky de Nys

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Professor Rocky de Nys, who will retire at the close of the Annual General Meeting in accordance with clause 11.4 of the Company’s Constitution and being eligible offers himself for election, be elected as a director of the Company.”

Short Explanation: Clause 11.4 of the Company’s Constitution provides that a Director appointed during the year shall only hold office until the next annual general meeting of the Company and is then eligible for election. Please refer to the Explanatory Statement for further details.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'I.E. Gregory', with a large, stylized flourish below the name.

IAN GREGORY
Company Secretary
17 OCTOBER 2006

NOTES:

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder’s voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. For the purposes of the Corporations Act, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Annual General Meeting. The snapshot date is the close of business on 22 November 2006.

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. GENERAL INFORMATION

This Explanatory Statement has been prepared for Shareholders in connection with the Annual General Meeting of the Company to be held on 24 November 2006.

2. BUSINESS OF THE MEETING

2.1 Receive and consider the financial and other reports

This item is self-explanatory. It is intended to provide an opportunity for Shareholders at the meeting to raise questions on the reports themselves and on the performance of the Company generally.

2.2 Resolution 1 - Adoption of remuneration report

During this item, there will be an opportunity for Shareholders at the meeting to comment on and ask questions about the Remuneration Report which commences on page 13 of the Company's Annual Report 2006, including the remuneration tables referred to in the report and set out in note 23 to the financial statements commencing on page 59.

The vote on Resolution 1 is advisory only and will not bind the Directors or the Company, however, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies. The Directors recommend that shareholders vote in favour of resolution 1. The Chairman intends to vote undirected proxies in favour of the resolution.

2.3 Resolution 2 - Re-election of Mr Perryman J Leach

Clause 11.1 of the Company's Constitution provides that at every annual general meeting, one-third of the Directors, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office.

The Director(s) to retire at an annual general meeting are those who have been longest in office since their last election, however, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring Director is eligible for re-election.

The Directors have agreed that Mr Perryman J Leach shall retire by rotation in accordance with the Company's Constitution. Mr P J Leach seeks re-election at the Annual General Meeting.

Mr Perryman J Leach, M.I.E. Aust., Non-Executive Director

Mr Leach (65) was appointed a director on 7 March, 2000 and is a non-independent director.

Mr Leach, the creator of the Eco-Cell™ system, obtained an engineering Associateship of The Gordon Institute of Geelong. He transferred to Western Australia in 1970 to assist in the establishment of a national consultancy firm specialising in project feasibility assessments and project management. He obtained his builders' registration licence in 1972.

Mr Leach started the project and construction management company, Co-Struct Pty Ltd, in 1978 and has controlled projects with a total value in excess of \$100 million.

Many of Mr Leach's projects have been in the food chain, including intensive farming through to abattoirs, small goods and processing factories, chiller and freezer works. He has also been involved in the development of pollution control equipment. All of these projects have been successful and have required high levels of innovation and commitment.

Mr Leach became involved in aquaculture in 1997, when he commenced three years of intensive research in the field, with particular emphasis on the development and refinement of recirculating systems. He has travelled to Europe and America to investigate the latest developments in land farming for commercial aquaculture.

Mr Leach has not held directorships in any listed companies during the past three financial years.

The Directors (excluding Mr. P J Leach) recommend that Shareholders vote in favour of Resolution 2. The Chairman intends to vote undirected proxies in favour of the resolution.

2.4 Resolution 3 - Election of Mr Robert I S Sewell

Mr Sewell (60) was appointed a director and chairman on 12 December 2005 and is required under Clause 11.4 of the Company's Constitution to retire after the meeting. Mr Sewell, being eligible, has offered himself for election as a Director.

Mr Sewell is a grain farmer from Wongan Hills in Western Australia.

After finishing his education at Hale School in Perth, he returned to the family farm to commence a career in agriculture and at the same time, representing farmers at a State and National level through serving as Chairman of a number of Agricultural Industry bodies.

Having become a Board member of the Grain Pool of WA in 1978, he represented the company on numerous overseas marketing missions to countries in Asia, Europe and South America.

Mr Sewell was elected to the position of Chairman of the Grain Pool in August 1992 and was instrumental in bringing about a merger with Co-operative Bulk Handling in 2002. He was elected to the position of Chairman of the merger entity in April 2004 and served 18 months in that position. He continues as a Director of the CBH Group of companies.

He was awarded a Centenary Medal by the Commonwealth Government in April 2003 for services to the Grain Pool and the Community.

Mr Sewell was further recognised when he was awarded the Member of the Order of Australia (AM) in the Queen's Birthday Honour's List 14th June 2004 for services to the grain industry and International Marketing.

He is a Fellow of the Australian Institute of Company Directors and gained an advanced diploma from the Institute in July 2003.

He is a member of the Audit Committee and the Remuneration Committee.

Mr Sewell has not held directorships in any listed companies during the past three financial years.

The Directors (excluding Mr. R I S Sewell) recommend that Shareholders vote in favour of Resolution 3. The Chairman of the meeting intends to vote undirected proxies in favour of the resolution.

2.5 Resolution 4 - Election of Dr Rocky de Nys

Professor de Nys (42) was appointed a director on 23 January 2006 and is required under Clause 11.4 of the Company's Constitution to retire after the meeting. Professor de Nys, being eligible, has offered himself for election as a Director.

A marine biologist and one of the world's foremost authorities on aquaculture, he leads the internationally recognised aquaculture research and development facility at James Cook University in Queensland.

Professor de Nys is also a director of Intaqt Pty Ltd, a Melbourne based freshwater and marine aquaculture and marine biotechnology company, which has been consulting to Cell Aquaculture for several years.

He has successfully led and supervised complex team based research programs in aquaculture and marine biotechnology, resulting in five international patents and over 70 internationally peer reviewed scientific publications.

Professor de Nys has not held directorships in any listed companies during the past three financial years.

The Directors (excluding Dr de Nys) recommend that Shareholders vote in favour of Resolution 4. The Chairman intends to vote undirected proxies in favour of the resolution.

3. ENQUIRIES

Shareholders are invited to contact Mr Ian Gregory on (08) 9336 7122 if they have any queries in respect to the matters set out in this Notice.

GLOSSARY

Annual General Meeting means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the board of directors of the Company.

Company and **Cell Aquaculture** means Cell Aquaculture Limited (ACN 091 687 740).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement which forms part of this Memorandum.

Memorandum means all of the documents accompanying the Notice and referred to in the Contents section.

Notice means the notice of meeting which forms part of this Memorandum.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

CELL AQUACULTURE LIMITED
ACN 091 687 740

Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form as soon as possible and either:
 - send the proxy form by facsimile to the Company on facsimile number (08) 9336 7111 (International: + 61 8 9336 7111); or
 - deliver or post the proxy form to the Company's registered office at 66 Bennett Avenue, Hamilton Hill WA 6163 or postal address PO Box 251, Hamilton Hill WA 6160.

so that it is received not later than 1.00 pm (WST) on 22 November 2006. Proxy forms received later than this time will be invalid.