

**ASX Announcement**

**31<sup>st</sup> January 2007**

**December Quarter Report – Appendix 4C  
(ASX Code: CAQ)**

- Sales growth increased significantly in the December quarter to **\$410,346**.
- Sales revenue comprised of Cell™ equipment sales in Australia and to the Bulgarian venture. Sales revenue was bolstered as a result of fingerling sales by the Queensland based hatchery and live fish sales from the Fremantle facility.
- During this quarter, CAQ has made a further investment of **\$212,328** into Delta Aquaculture Services LLC in the United States. CAQ holds 61% of the issued capital in Delta as at 31 December 2006. The company also assumed management control of the company during this period.
- A capital raising was placed to sophisticated investors during the quarter to raise **\$656,500**, assisting in the increased investment in Delta and CAQ's European operations.
- Sales revenue is expected to increase in the following quarter as increased fish volumes come 'on-stream' from the Holland facility and the finalisation of a number of pending deals.

**About Cell Aquaculture**

Cell Aquaculture listed on the Australian Stock Exchange in July 2005 to supply a full range of environmentally sustainable, vertically integrated seafood services – encompassing everything from 'Hatch to Dispatch'. Since listing, the company has established hatchery operations and significant manufacturing capability to produce its proprietary Cell™ equipment.

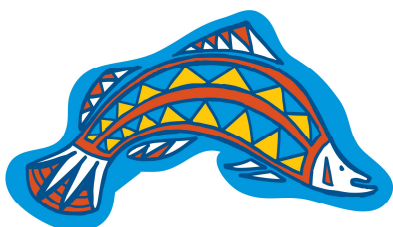
Further to established production at Cell's Fremantle based headquarters, the company has successfully built its first European production facilities in the Netherlands, is completing a production facility in the United States and is now in the final stages of transacting an agreement to establish large-scale production in Asia. Cell aims to be a global company involved in all aspects of the production and sale of quality high end priced seafood, produced economically on the market's doorstep.

For further information contact:

Geoff Leding Wilton, CEO & Managing Director, on +61 (0) 412 010 177, or

Robert Sewell, Chairman, on +61 (0) 418 947 416.

**[www.cellaqua.com](http://www.cellaqua.com)**



**CELL AQUACULTURE LTD.** ABN 86 091 687 740  
66 Bennett Avenue, Hamilton Hill, Western Australia, 6163  
P.O. Box 251, South Fremantle, Western Australia, 6162  
**Telephone:** +61 8 9336 7122 **Fax:** +61 8 9336 7111  
**E-mail:** [info@cellaqua.com](mailto:info@cellaqua.com) **Website:** [www.cellaqua.com](http://www.cellaqua.com)

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Cell Aquaculture Limited

ABN

86 091 687 740

Quarter ended ("current quarter")

31 December 2006

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (6 months) \$A
1.1 Receipts from customers	410,346	427,941
1.2 Payments for		
(a) staff costs	(358,631)	(643,913)
(b) advertising and marketing	(55,973)	(60,447)
(c) research and development	(155,901)	(226,389)
(d) leased assets	(1,785)	(1,785)
(e) other working capital	(770,535)	(1,268,785)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11,336	41,621
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – ATO Refund	-	-
<b>Net operating cash flows</b>	<b>(921,143)</b>	<b>(1,731,757)</b>

+ See chapter 19 for defined terms.

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	Current quarter \$A	Year to date (6 months) \$A
1.8 Net operating cash flows (carried forward)	(921,143)	(1,731,757)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	(200,128)
(c) intellectual property		
(d) physical non-current assets	(73,247)	(98,647)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities		
-Associated Companies	(76,747)	(76,747)
-Other	392	392
1.12 Loans repaid by other entities	-	-
1.13 Other:		
(a) Repayment of monies previously invested as security for bank guarantee	180,000	-
(b) Net cash acquired following acquisition of control of Delta Aquaculture, LLC	393,533	393,533
<b>Net investing cash flows</b>	423,931	18,403
<b>1.14 Total operating and investing cash flows</b>	(497,212)	(1,713,354)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	656,500	656,500
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Share issue costs	-	-
<b>Net financing cash flows</b>	656,500	656,500
<b>Net increase (decrease) in cash held</b>	159,288	(1,056,854)
1.21 Cash at beginning of quarter/year to date	1,389,204	2,605,346
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	1,548,492	1,548,492

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A
1.24	Aggregate amount of payments to the parties included in item 1.2	166,739
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payment of consultancy, salaries, wages and superannuation for directors and alternate directors for services provided during the quarter ended 31 December 2006.
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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil
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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil
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**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A	Amount used \$A
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A	Previous quarter \$A
4.1	Cash on hand and at bank	1,548,492	1,389,204
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)		1,548,492	1,389,204


**Acquisitions and disposals of business entities**

		Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1	Name of entity	Delta Aquaculture Services, LLC	
5.2	Place of incorporation or registration	Nevada, USA	
5.3	Consideration for acquisition or disposal	Further increases in equity were acquired during the period at a cost of \$212,328. Cell Aquaculture owns 61% of the issued capital at 31 December 2006 and assumed control of the company during the period.	
5.4	Total net assets	\$950,756	
5.5	Nature of business	Aquaculture	

**Compliance statement**

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here:   
 (Managing Director)

Date: 31 January 2007

Print name: Geoffrey Leding Wilton

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## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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