

ASX Announcement

19th July 2007

Progress on Malaysian Government Joint Venture

- Further instalment payment of AUD\$ 600,000 received.
 - Over AUD\$1,400,000 payments now received since April 2007.
 - Construction of first 2,500 m² building complete and Cell's installation team now on the ground in Malaysia.
 - Construction of 'world class' multi-species hatchery building now commenced and scheduled for completion in late 2007.
 - Discussions advancing to jointly develop a large-scale fully integrated aquaculture industry in Terengganu State.
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Leading aquaculture technology and seafood production specialist Cell Aquaculture Ltd (Cell – ASX Code: CAQ) is pleased to advise strong progress is continuing on its Joint Venture with the Terengganu State Government, Malaysia.

A further instalment payment of AUD\$600,000 has been received by Cell's Malaysian based subsidiary company – Cell Aqua Malaysia Sdn Bhd, with payments received now totalling over AUD\$1,400,000 since April 2007.

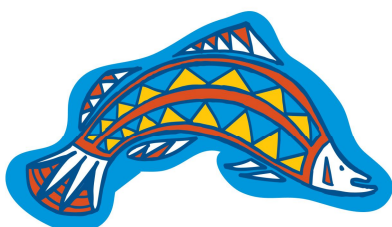
Cell are delighted to advise that construction of the initial 2,500m² production building and all associated infrastructure in Terengganu is now complete to progress Stage 1 of the project. The first two containers of proprietary Cell™ equipment have been successfully shipped to the Besut site and the next containers are due to be shipped in the coming weeks.

To view progress photos of the Besut site, please visit: www.cellaqua.com/projects.asp

Cell's installation team has been dispatched and installation of the initial Cell™ production systems has commenced.

The production site is strategically located next to the Federal Government funded, Malaysian Marine Finfish Research Centre in Tanjong Demong, Besut, Terengganu. Over the past fifteen years, the research centre has had success in breeding many types of marine finfish, including a number of Grouper species.

Collaboration discussions are advanced with the Malaysian Marine Finfish Research Centre and a number of further key research institutes. Construction of the world class 'multi-species' hatchery building has commenced and is due for completion in late 2007.



Development of the 'multi species' hatchery will assist in commercialisation of extensive R & D conducted by the parties to date.

The strong relationship developed with the Terengganu Government has led to planning of a fully integrated aquaculture industry in Terengganu. These future developments will strongly complement Cell's 'Hatch to Dispatch' philosophy and create a complete vertically integrated aquaculture offering and provide a low cost hub for Cell's international operations.

In addition to the research and development of new aquaculture species and development of the 'multi-species' hatchery, the TRG Cell Joint Venture is now assessing the following opportunities for development:

- Licensed manufacturing in Malaysia of Cell™ components, providing a lower cost base for Cell's international network;
- Further development of Hydro/Aquaponic opportunities to value-add to fish waste;
- Fish processing and value-adding to seafood products;
- Commercial aquaculture feed development.

About TRG Cell Sdn Bhd

TRG Cell Sdn Bhd is an aquaculture Joint Venture between Cell and the Terengganu Agrotech Development Corporation (TADC), an entity wholly owned and controlled by the Terengganu State Government, Malaysia.

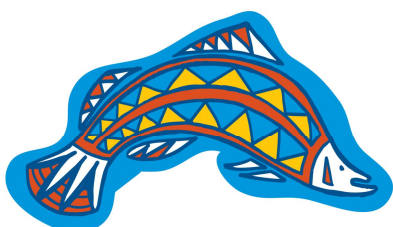
The Joint Venture will generate revenues of approximately **AUD\$ 7 million** directly to CAQ during the development phase. Revenue will be derived primarily from sales of Cell™ proprietary equipment, license fees, project management and technical support services to the Joint Venture.

At full capacity, the Joint Venture (TRG Cell Sdn Bhd) is expected to generate further ongoing forecast revenues of approximately **AUD\$ 7 million** per annum from fish sales. Production capacity is expected to be approx 700 tons per annum at completion.

About Cell Aquaculture

Cell Aquaculture supplies a full range of environmentally sustainable, vertically integrated seafood production services – encompassing everything from 'Hatch to Dispatch'.

The company has established hatchery operations for Australian Barramundi and is developing a range of further premium species for aquaculture production. The company has also





developed significant manufacturing capability to fabricate its proprietary Cell™ aquaculture production equipment.

Further to established Barramundi production at Cell's Fremantle based headquarters, the company has successfully built European production facilities in the Netherlands and Bulgaria, is completing a production facility in the United States and has now commenced establishment of large-scale production in Malaysia.

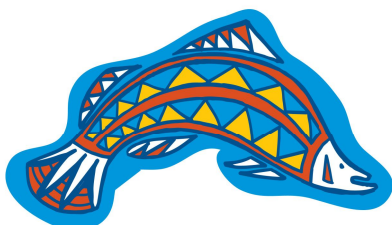
Cell Aquaculture is a global company involved in all aspects of the production and sale of quality high-end priced seafood - produced economically on the market's doorstep – as well as purpose-built, modular seafood production technology.

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