

ASX / Media Release

15th February 2007

Joint Venture with Malaysian Government to Proceed

- CAQ to commence Joint Venture with Malaysian State Government to develop 700 ton per annum finfish production from land based Cell™ systems.
 - Deal will generate approx AUD\$7 million for CAQ during the 18 month development phase from supply of proprietary Cell™ equipment and associated services to the Joint Venture.
 - Joint Venture facility forecast to generate annual revenues of approx AUD\$7.4 million per annum when full capacity is reached.
 - Export strategy developed to sell production primarily into Japan, Hong Kong & Singapore.
 - Discussions for expansion to 2,500+ tons per annum across a range of species.
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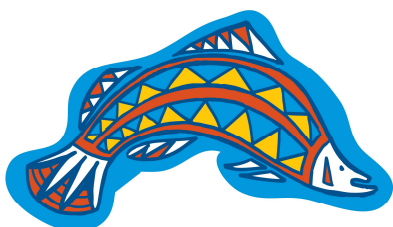
Further to the ASX company announcement dated 9th October 2006, **Cell Aquaculture Limited (ASX Code: CAQ)** are pleased to announce the signing of a formal Shareholders Agreement and License & Supply Agreement with the Terengganu Agrotech Development Corporation (TADC), an entity wholly owned and controlled by the Terengganu State Government, Malaysia.

“This is a significant step forward for Cell Aquaculture, with the company now well poised to capitalise on expansion opportunities into Asia’s high-end premium markets,” said CAQ Managing Director/CEO, Geoff Leding Wilton.

Under the terms of the Shareholders Agreement, the parties have established a Joint Venture company, TRG Cell Sdn Bhd (Company No. 757084-U), to initially develop sufficient infrastructure to produce up to 700 tons per annum of finfish from a land based Cell™ production system, in the State of Terengganu, Malaysia.

The establishment of the Joint Venture will generate revenues of approximately **AUD\$ 7 million** to CAQ during the 18 month 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 ongoing forecast revenues of approximately **AUD\$ 7.4 million** per annum from fish sales. CAQ holds 30 percent of the issued capital in the Joint Venture Company.



“The marketing strategy we have developed for the Joint Venture is primarily export based, with the initial target markets defined as Japan, Hong Kong and Singapore. Using a lower cost base in Malaysia and our ability to consistently supply high quality fresh and live product, this venture offers very exciting profit potential,” Mr Leding Wilton said.

CAQ is required to contribute AUD\$275,000 and TADC AUD\$650,000 to acquire their relevant shareholdings in the Joint Venture. All additional capital required to develop the Joint Venture will be provided by loans facilitated by TADC. The first funding commitment has now been approved by TADC and the Joint Venture company has in the vicinity AUD\$2.75 million available to commence the first phase of the venture. The initial containers of Cell™ proprietary equipment are due to be shipped in the coming weeks.

A suitable site has now been allocated for the venture and TADC has separately committed a further AUD\$1.85 million to establish buildings and infrastructure for phase one of the development.

The allocated site is strategically located next to the Malaysian Marine Finfish Research Centre in Tanjong Demong, Besut, Terengganu. The research centre has had success in breeding eight different types of marine finfish, including a number of Grouper species. The TRG Cell Sdn Bhd Joint Venture is planning the development of a multi-species hatchery on the site to assist in the commercialisation of the findings of the research institute.

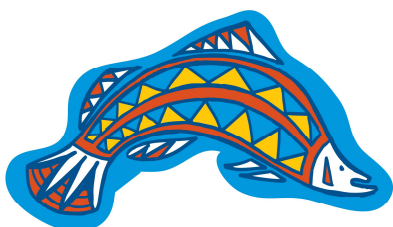
Commenting on the signing of the Joint Venture agreement, Datuk Mohd Jidin Shafie, TADC Chairman said, “we have been planning to develop land based aquaculture production for some time and it has been an arduous process to find a suitable strategic partner. We commenced discussions with Cell Aquaculture seven months ago and have since satisfied ourselves that they can provide the technology and expertise to develop a substantial joint aquaculture venture. With our proposed multi-species hatchery development, we plan to expand future production to in excess of 2,500 tons per annum, across a range of species.”

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About TADC (Terengganu Agrotech Development Corporation)

TADC is an entity wholly owned and controlled by Terengganu State Economic Development Corporation (PMINT). PMINT has proven to be the premier development agency in the state of Terengganu and is the key link in coordinating the translation of development policies and plans of the State Economic Planning Unit into concrete socio-economic programmes.

PMINT have significant experience across a broad range of industries and have a strong desire to further develop the state’s agricultural resources, with a particular emphasis on aquaculture.





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.

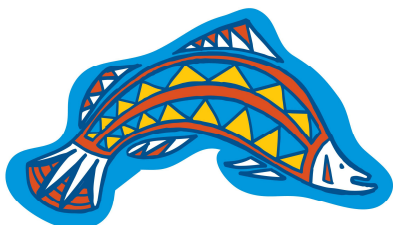
Further to established production at Cell's Fremantle based headquarters, the company has successfully built European production facilities in the Netherlands and Bulgaria, is completing a production facility in the United States and has now entered an agreement to establish large-scale production in 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.

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