

ASX ANNOUNCEMENT

Thursday, 7 February 2006

CELL ACQUISITION IN THE UNITED STATES

Western Australian aquaculture company, Cell Aquaculture Limited (ASX Code: CAQ) has taken a first step in its strategic plan to roll out the Cell Aquaculture Barramundi System in the United States by purchasing a substantial interest in Delta Aquaculture Services LLC (**Delta**)

Delta Aquaculture Services LLC. is a Nevada based company with the majority of ownership being held equally between Cell Aquaculture Ltd and a United States syndicate which includes

James P Bauchman – (Las Vegas based Property Developer)
Gary V Olsen – (Founder & President – RS&I Inc – Satellite & Communications)
Kingston Properties LP – (A Private USA Development Company headed by David O Kingston also founder and CEO of Kingston Associates Marketing LLC)

Delta recently acquired an operational hatchery in Mississippi called “Dixie Fish Farms” which currently produces Red Drum fingerlings – a high quality white fleshed table fish, with strong demand and well accepted in the US market – and an excellent source of income.

The purchase of Dixie Fish Farms has the additional bonus of now also having approval to use the recently granted permission to the farms manager (Paul Picard) to import and grow-out Australian Barramundi, Paul will continue to manage the facility for Delta.

Cell Aquaculture initially intends to import Australian Barramundi fingerlings for the Mississippi facilities from its own hatchery in Queensland, but envisages that this hatchery will supply the huge US market direct in the near future.

Managing Director of Cell Aquaculture, Mr Perry Leach, said “the acquisition is a significant milestone for the company and represents the start of its phased “Hatch to Dispatch” strategy for the United States market.’

Mr Leach said, “This acquisition provides Cell Aquaculture with the opportunity to establish a viable long term presence in the United States and a strong base from which to expand.”

“Cell Aquaculture is positioned to capitalise on the enormous potential for aquaculture ventures in the US, and the huge demand for high quality seafood which includes Australian Barramundi.”

Mr Leach is due to fly to the United States next week to finalise the relevant agreements relating to Delta.

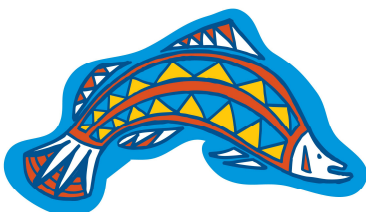
As a result of Cell Aquaculture’s involvement in this venture, it has sought and been granted release from further participation in the Exmouth research and development hatchery.

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