

ASX / Media Release

9th October 2006

Cell Aquaculture Lands Asian Deal

Cell Aquaculture Limited (ASX Code: CAQ) has signed a Heads of Agreement and received deposit payment from the Terengganu Agrotech Development Corporation (TADC), an entity wholly owned and controlled by the Terengganu State Government, Malaysia.

"We are delighted to have secured this arrangement, as it now gives us a very strong platform to expand into the Asian market," said CAQ Chairman Robert Sewell.

Under the terms of the Heads of Agreement, CAQ and TADC will, subject to the parties entering into a formal agreement and TADC committing funding of \$10 million for the joint venture company, form a Malaysian Joint Venture company to initially establish a 500 ton per annum land based Cell™ production system in the State of Terengganu, Malaysia. CAQ will hold 30 percent and TADC will hold 70 per cent of the issued capital in the Joint Venture company.

The execution of the formal agreement for the Joint Venture company is expected to be finalised in the coming weeks.

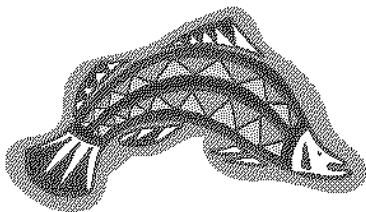
"Due to extremely high seafood consumption, Asia has always been on our radar and we have spent a long time searching for a suitable partner. A well developed relationship with TADC and the fact that they are a government body, gives us a great deal of comfort in progressing this venture," Mr Sewell said.

The establishment of the Joint Venture will generate significant revenue for CAQ from Sales of Cell™ proprietary equipment, License Fees and Fingerling Supply (baby fish) from CAQ's hatchery. CAQ's equity holding in the joint venture company will also result in significant ongoing sustainable revenues to CAQ from fish sales.

"This venture provides us with an economic cost base to access Asia and it is our intention to export the majority of finished seafood product into lucrative markets such as Japan, Singapore and Hong Kong. The production of approximately 500,000 kg of product will see us starting to reach the critical mass and economies that these large markets require," Mr Sewell said.

Also under the terms of the Heads of Agreement, the parties have agreed to evaluate the following opportunities, with a view to future development: 1). Research and development of new aquaculture species, 2). Development of 'multi-species' hatchery/s, 3). Licensed manufacturing in Malaysia of Cell™ components, providing a lower cost base, 4). Further development of Hydro/Aquaponic opportunities to value-add to fish waste, 5). Commercial aquaculture feed development, and 6). Fish processing and value-adding to seafood products.

"Once production has been established from this venture, we have achieved a significant milestone in our international expansion, with a production base and presence in each of our target continents of: Europe, United States, Asia and Australia. With these production bases



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established, we are in a very strong position to readily further expand our unique 'Hatch to Dispatch' offerings into our key markets," Mr Sewell said.

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 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.

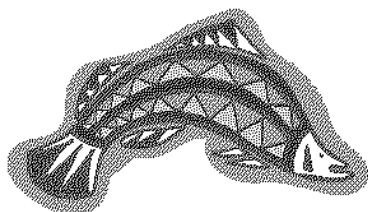
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