



ASX Release - CAQ

Appendix 4C Quarterly Report – October to December 2008

Quarterly Update

HIGHLIGHTS:

- **First Malaysian Barramundi harvests due in February 09.**
- **Funding commitment of RM2.6 million (approx AU\$1.1 million) received from Terengganu State Government.**
- **New species production trials to commence.**
- **Grant funding and tax rebates due to be received.**
- **Significant reduction of company overheads.**

Update on Malaysian operations.

The company is pleased to advise that it is 'on-track' to commence the first Barramundi harvests from its Terengganu - Malaysia, based production facilities in February 2009. The facility currently has Barramundi which have now reached marketable size.

The company has invoiced revenues of \$171,969 for the quarter, however no funds were received during the period. Construction of the production farm is now complete and awaiting first fish sales to generate further ongoing revenues.

First Barramundi harvests will represent the achievement of a significant milestone for the company and 'proof of concept' and business model in Malaysia. In addition to generating revenues for the company, it is envisaged that achievement of this milestone will provide the catalyst for further expansion of the company's Malaysian based production facilities.

As advised at the company's AGM, large-scale expansion funding is currently awaiting approval from the Malaysian Federal Ministry of Finance.

Net Cash Position

Notwithstanding the recent collapse of companies within the Aquaculture sector and the reduced ability to raise funds given the Global Financial Crisis, CAQ believes it is in a strong position, with no debt, to meet its current commitments.

Cashflows for the quarter ended 31 March 2009 will be boosted by the following -

- **Estimated income tax refund for the year ended 30 June 2008 of AU\$210,000.**
- **Estimated Export Market Development Grants of AU\$40,000.**
- **Receipt of RM2.6 million (approx AU\$1.1 million) funding commitment.**

A funding commitment of RM2.6 million (approx AU\$1.1 million) has recently been received from CAQ's joint venture partner, the Terengganu Agrotech Development Corporation (TADC), to CAQ's joint venture company TRG Cell Sdn Bhd. This funding commitment will ensure that the Terengganu based production farm will reach its ongoing production targets, as well as allow a number of 'high value' new premium species production trials to commence. Commitment of this funding will also clear a number of payments to CAQ, resulting in approx AU\$250,000+ of funds directly into CAQ.

Whilst awaiting expansion funding approval from the Malaysian Federal Ministry of Finance, the RM2.6 million funding commitment from TADC, ensures the short term goals of the venture are uninterrupted and demonstrates a strong show of commitment and good faith from the Terengganu State Government towards our joint venture.

- **Significant reduction of company overheads.**

The company officially relinquished leasing responsibilities of the Hamilton Hill site in November '08. This has reduced the company's ongoing Perth based overheads, and final payments for relocated equipment and other debtors of approx AU\$100,000+ are expected to be received in the Jan – Mar '09 Quarter.

Furthermore, during the December 2008 quarter, the company incurred significant extraordinary expenditure by engaging services of a number of consultants to assist in completion of feasibility works for expansion planning to satisfy requirements for the Ministry of Finance funding. Further expenditure in this regard is not foreseen in the Jan – Mar '09 Quarter.

The recent funding commitment from TADC will minimise any ongoing cash drain from CAQ to run the production farm and preserve CAQ's cash reserves.

Therefore, with a reduction in the company's ongoing overheads, imminent commencement of production revenues, no debt position and funds now committed from various sources, the company is confident of being able to meet its ongoing obligations.

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Cell Aquaculture Ltd (Australia) – www.cellaqua.com

Headquartered in Western Australia, Cell Aquaculture Limited (Cell) is an international aquaculture company, publicly listed on the Australian Securities Exchange (ASX). Cell supplies a full range of environmentally sustainable, vertically integrated seafood production services – encompassing everything from 'Hatch to Dispatch'.

Developed over ten years the Cell™ propriety system is a complete land based environmentally responsible aquaculture system developed for the production and supply of premium quality fin fish. Cell has established hatchery operations for Australian Barramundi at James Cook University, Queensland, and is due to construct a world class multi-species hatchery in Malaysia. Cell is assessing a range of further 'high value' premium species for aquaculture production, with trials commencing in the near future.

Cell has developed large scale production facilities in Terengganu, Malaysia, with further expansion planning now underway. Cell supplies and installs growing systems, manages the operations as well as sales and marketing of finished product.

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 2008

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from customers	-	115
1.2	Payments for		
	(a) staff costs	(133)	(272)
	(b) advertising and marketing	-	(13)
	(c) research and development	(39)	(57)
	(d) leased assets	-	-
	(e) other working capital	(352)	(782)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	6	22
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – ATO Refund	-	-
1.8	Other – EMDG Scheme	-	-
Net operating cash flows		(518)	(987)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(518)	(987)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(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	-	-
-Other	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other:		
(a) Repayment of monies previously invested as security for bank guarantee	-	-
(b) Net cash acquired following acquisition of control of Delta Aquaculture, LLC	-	-
(c) Part settlement of legal dispute	(13)	(27)
Net investing cash flows	(13)	(27)
1.14 Total operating and investing cash flows	(531)	(1,014)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
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	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(531)	(1,014)
1.21 Cash at beginning of quarter/year to date	777	1,260
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	246	246

+ 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'000
1.24	Aggregate amount of payments to the parties included in item 1.2	74
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 during the quarter ended 31 December 2008.	

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

- 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

Financing facilities available

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

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-
3.2	Credit standby arrangements	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
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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'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	246	777
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		246	777

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

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:

Date: 30/01/2009.

Print name: Ian Gregory
Company Secretary

+ See chapter 19 for defined terms.

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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