ASX Release - CAQ

Appendix 4C Quarterly Report – Jan to Mar 2010

30 April 2010: Following is a brief overview of the Company's current key activities:

Malaysia

In the previous Quarter, CAQ announced the signing of a Memorandum of Understanding with a Malaysian based global multinational organisation, with turnover in excess of AU$5 billion per annum, to commence detailed feasibility and business planning, with a view to establishing large scale land based aquaculture production, utilising CAQ's unique Cell™ production technologies and vertically integrated 'Hatch to Dispatch' business model.

The company is pleased to advise that preparation of the detailed feasibility study and business plan was completed and submitted towards the end of the Jan to Mar 2010 Quarter. The study has demonstrated a highly feasible business model and strong favourable feedback, with further advanced discussions now underway.

A feasibility fee of AU$75,000 was received during the Quarter, with an additional fee of AU$125,000 due to be received in the coming weeks.

Capital Raising

On 19th February, the Company successfully completed a placement to raise AU$2.4 million from European based, Linnaeus Capital Partners - significantly bolstering the company's balance sheet and cash position.

This further cash injection has also allowed the Company to now actively increase its human resources in anticipation of further growth opportunities.

A visit was recently made by the Principal and Senior Executives of Linnaeus Capital Partners, to view CAQ's Australian and Malaysian based operations. The visit resulted in very favourable discussions and the company is now actively assessing a number of positive collaborative opportunities.

South Africa

The Company is still actively pursing the opportunity to establish an initial 2,000 tonne per annum facility with its South African partners.

The process of obtaining relevant approvals for this venture has been slow, however significant progress has recently been made with a new Industrial Economic Development Zone, which has expressed favourable indications to the granting of relevant approvals for the project to commence.

The Company's South African partners are still firmly committed to establishing the venture and the Memorandum of Understanding between the parties was renewed on 7th April 2010.

The Company will make further announcements on the progress of this project as it materialises.

Singapore

The Company also continues to source a suitable site for its Singapore based venture and is actively working with the Singapore Economic Development Board (SEDB) on this matter.

The Company is now also actively exploring a number of further opportunities with its Singapore based partners and SEDB in the areas of seafood processing, value adding and distribution.

Other

The Company is now realising a surge of interest in its offerings, from all over the world and is actively exploring numerous further opportunities.

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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 twelve 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 has plans to construct a world class multi-species hatchery in Malaysia. Cell has also commenced production trials on a range of further 'high value' premium species.

Cell has developed large scale land-based recirculating seafood production facilities in Terengganu, Malaysia and is now also progressing an opportunity to develop large scale production in South Africa, as well as a 'high value' species facility in Singapore.

Cell has recently signed a Memorandum of Understanding with a Malaysian based global multinational organisation, with turnover in excess of AU$5 billion per annum, to commence detailed feasibility, with a view to establishing large scale land based aquaculture production, utilising CAQ's unique Cell™ production technologies and vertically integrated 'Hatch to Dispatch' business model.

Cell supplies and installs growing systems, manages the operations, as well as sales and marketing of finished product.

Rule 4.7B

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	Quarter ended ("current quarter")
86 091 687 740	31 March 2010

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (.9 months) $A'000
1.1	Receipts from customers	75	127
1.2	Payments for (a) staff costs	(190)	(405)
	(b) advertising and marketing	-	-
	(c) research and development	(31)	(104)
	(d) leased assets	-	-
	(e) other working capital	-	(373)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	14	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Payments for (a) Malaysian operations	(231)	(231)
	(b) Audit and accounting	(13)	(13)
	(c) ATO	(14)	(14)
	(d) Travel	(7)	(7)
	(e) Insurance	(21)	(21)
	(f) Legal advice	(4)	(4)
	(g) Share listing and registry	(8)	(8)
	(h) Miscellaneous	(3)	(3)
	Net operating cash flows	**(433)**	**(1,039)**

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (9 months) $A'000
1.8	**Net operating cash flows (carried forward)**	**(433)**	**(1,039)**
	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	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.14	**Total operating and investing cash flows**	**(433)**	**(1,039)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	3,300	3,680
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	-	-
	Net financing cash flows	**3,300**	**3,680**
	Net increase (decrease) in cash held	**2,867**	**2,641**
1.21	Cash at beginning of quarter/year to date	225	451
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	**3,092**	**3,092**

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	97
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 March 2010.

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.

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	3,092	225
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	3,092	225

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: 30th April 2010
(Company Secretary)

Print name: Ian Gregory

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.

+ See chapter 19 for defined terms.