



## **ASX Release - CAQ**

### **Appendix 4D Half Year Report – Ended December 2010**

**28 February 2011:** During the half year to December 2010, Cell Aquaculture Limited (ASX: CAQ) has focussed primarily on the following areas:

- Advancement of the Company's commercial-scale production operations in Thailand;
- Further development of CAQ's wholly owned food processing business - Cell Aqua Foods Pty Ltd;
- Advancement of CAQ's Singapore, South African and Malaysian projects;
- Securing financing to allow the Company to accelerate its key growth objectives.

#### **Thailand Operations**

During the half year, CAQ commenced a new commercial production venture and secured an outstanding production site located near Phuket, Thailand. The production site has all necessary infrastructure and services in place, enabling rapid commencement of premium Australian Barramundi production.

The site is located adjacent to an existing Abalone farm, which has a newly constructed but unused production shed and tanks available. The long term leasing arrangement covers the leasing of the existing shed and tanks, as well as additional adjoining vacant land. The project involves the existing shed and tanks being retro-fitted with 'Cell' filtration and components, as well as construction of a purpose-built 'Cell' production facility on the vacant land.

Subsequent to the half year, CAQ has now completed the retro-fit of the existing facility and design and documentation is virtually complete for the development of the new purpose-built 'Cell' facility on the adjoining site. The Company is currently in negotiations with various contractors and suppliers to finalise project costings for the new facility.

All produce from this project will be sold through the Company's recently established, wholly owned subsidiary – Cell Aqua Foods Pty Ltd.

#### **Cell Aqua Foods**

During the half year, CAQ continued the development of Cell Aqua Foods Pty Ltd - a fully operational, food processing, value-adding, packaging and marketing division.

CAQ recently completed a rationalisation of Cell Aqua Foods Pty Ltd, enabling it to focus primarily on the development of its Eco-Star™ branded seafood lines.

Via Cell Aqua Foods, the Company is now actively developing markets for its unique range of Premium fresh, smoked and value added Barramundi products – all marketed under the Company's Eco-Star™ brand.

In the month of January, Cell Aqua Foods Pty Ltd reached a virtual break-even point and CAQ is of the view this subsidiary will move towards profitability in subsequent months.

### **Singapore, South Africa and Malaysian Projects**

The Company continued progressing its various projects in Singapore, South Africa and Malaysia during the half year. Further updates will be provided on these projects as they materialise.

### **Securing of Financing to Accelerate Growth Objectives**

Significant time and resources were focussed during the half year on sourcing suitable financing arrangements for the Company to advance its growth objectives. On 27 January 2011, the Company advised that a US\$6 million financing agreement was executed with U.S. based institutional investor, La Jolla Cove Investors, Inc.

With this financing arrangement in place, the management team is now diligently focussed on advancing the Company's growth objectives.

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### **Cell Aquaculture Ltd (Australia)**

Headquartered in Western Australia, Cell Aquaculture Limited is an international aquaculture company, publicly listed on the Australian Securities Exchange (ASX). Cell Aquaculture 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 Aquaculture has established hatchery operations for Australian Barramundi at James Cook University, Queensland, and has also commenced production trials on a range of further 'high value' premium species for commercial production.

Cell Aquaculture has a number of large scale land-based recirculating seafood production projects, at varying stages of development, in Malaysia, Singapore, Thailand and South Africa.

Cell Aquaculture supplies and installs growing systems, manages the operations, as well as processing, value-adding, branding and sales of finished product.

For further information, visit [www.cellaqua.com](http://www.cellaqua.com)

# Appendix 4D

## Half year report

### 1. Company details

Name of entity

Cell Aquaculture Limited

ABN or equivalent company  
reference

86 091 687 740

Half year ended ('current period')

31 December 2010

Half year ended ('previous period')

31 December 2009

### 2. Results for announcement to the market

\$A'000's

2. Results for announcement to the market

376000

|                                                                                                                   |                                                                                                               |                     |                             |    |     |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|----|-----|
| 2.1                                                                                                               | Revenues from ordinary activities                                                                             | Down                | 11 %                        | to | 306 |
| 2.2                                                                                                               | Loss from ordinary activities after tax attributable to members                                               | up                  | 105 %                       | to | 828 |
| 2.3                                                                                                               | Net loss for the period attributable to members                                                               | up                  | 105 %                       | to | 828 |
| 2.4                                                                                                               | <b>Dividends</b>                                                                                              | Amount per security | Franked amount per security |    |     |
|                                                                                                                   | Interim dividend declared                                                                                     | None                | None                        |    |     |
| 2.5                                                                                                               | <sup>+</sup> Record date for determining entitlements to the dividend.                                        | N/A                 |                             |    |     |
| 2.6                                                                                                               | Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood. |                     |                             |    |     |
| Please refer to the Review of Operations in the Directors' Report attached to the half-year financial statements. |                                                                                                               |                     |                             |    |     |

### 3. NTA backing

|                                                               | Current period<br>31 December 2010 | Previous corresponding<br>period<br>31 December 2009 |
|---------------------------------------------------------------|------------------------------------|------------------------------------------------------|
| Net tangible asset backing per <sup>+</sup> ordinary security | 1.27 cents                         | 0.45 cents                                           |

### 4.1 Control gained over entities

Name of entity (or group of entities)

N/A

Date control gained

N/A

Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).

\$ -

Profit(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.

\$ -

### 4.2 Loss of control over entities

Name of entity (or group of entities)

N/A

Date control lost

N/A

Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).

\$ -

Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).

\$ -

## 5 Dividends

### Individual dividends per security

|  |                                       | Date dividend is payable | Amount per security | Franked amount per security at 30% tax | Amount per security of foreign source dividend |
|--|---------------------------------------|--------------------------|---------------------|----------------------------------------|------------------------------------------------|
|  | <b>Interim dividend:</b> Current year | N/A                      | - ¢                 | - ¢                                    | - ¢                                            |
|  | Previous year                         | N/A                      | - ¢                 | - ¢                                    | - ¢                                            |

## 6 Dividend Reinvestment Plans

The <sup>+</sup>dividend or distribution plans shown below are in operation.

|     |
|-----|
| N/A |
|-----|

The last date(s) for receipt of election notices for the <sup>+</sup>dividend or distribution plans

|     |
|-----|
| N/A |
|-----|

## 7 Details of associates and joint venture entities

| Name of associate/joint venture             | Reporting entity's percentage holding |                               | Contribution to Net profit/(loss) (where material) |                               |
|---------------------------------------------|---------------------------------------|-------------------------------|----------------------------------------------------|-------------------------------|
|                                             | Current Period                        | Previous corresponding period | Current Period                                     | Previous corresponding period |
| TRG Cell Sdn Bhd (incorporated in Malaysia) | 30%                                   | 30%                           | -                                                  | \$ (101,320)                  |

### Group's aggregate share of associates' and joint venture entities' profits/(losses) (where material):

|                                                                            | Current period \$A'000 | Previous corresponding period \$A'000 |
|----------------------------------------------------------------------------|------------------------|---------------------------------------|
| Profit/(loss) from ordinary activities before tax                          | -                      | (101)                                 |
| Income tax on ordinary activities                                          | -                      | -                                     |
| <b>Profit/(loss) from ordinary activities after tax</b>                    | -                      | (101)                                 |
| Extraordinary items net of tax                                             | -                      | -                                     |
| <b>Net profit/(loss)</b>                                                   | -                      | (101)                                 |
| Adjustments                                                                | -                      | -                                     |
| <b>Share of net profit/(loss) of associates and joint venture entities</b> | -                      | (101)                                 |

## 8 Foreign entities

|                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------|
| For foreign entities, details of origin of accounting standards used in compiling the report (e.g. International etc.) |
|------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| Financial statements for foreign controlled entities have been prepared using International Accounting Standards. |
|-------------------------------------------------------------------------------------------------------------------|

## 9. If the accounts are subject to audit dispute or qualification, details are described below

Refer to Note 3 of the half-year financial statements and independent auditor's review report in relation to the receivables from TRG Cell.

There is no other audit dispute or qualification.



Sign here: ..... Date: 28 February 2011  
Company Secretary

Print name: Ian Gregory