



ASX Release - CAQ

Appendix 4C Quarterly Report – July to September 2010

29 October 2010: The September quarter for Cell Aquaculture Limited (ASX: CAQ) has been a busy period for the Company, with a concentrated effort on developing cash flow opportunities – particularly the development of CAQ's wholly owned food processing, marketing and distribution business - Cell Aqua Foods Pty Ltd, as well as the initial stages of development of planned large-scale, company-owned commercial production operations, located near Phuket Thailand. There has been additional capital outflow in this quarter to develop these operations. The Company realised cash inflows of \$281,000 for the quarter.

The first quarter of the 2011 financial year has been spent on rationalising the Cell Aqua Foods business, particularly in refining the existing product range, as well as product, packaging and brand development of the new Eco-Star™ range of Premium fresh, smoked and value added Barramundi products. Capital expenditure has been made on machinery and equipment to produce the new products and strong distribution relationships are currently being developed to target the products initially into the West Australian market, followed by national distribution and then key export markets.

During the quarter CAQ advised the development of company-owned commercial production operations near Phuket, Thailand. Rapid progress has been made on the development of the first stage of this project, with the first commercial batches of Australian Barramundi fingerlings (baby fish) recently successfully shipped to the facility. Two further fingerling batches are scheduled for shipment to the facility in November as part of an aggressive stocking program.

The current Thailand production site has capacity to develop approximately 500 tonnes of premium fish per annum, however CAQ recently advised that an option has now been obtained on the additional adjoining site, which would allow the project to develop to a total capacity of 1,000 tonnes per annum.

The Company is gaining traction on its Singapore, South African and Malaysian projects and further updates will be provided as the projects materialise.

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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.

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")

30 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from customers	157	157
1.2	Payments for		
	(a) staff costs	(183)	(183)
	(b) advertising and marketing	(11)	(11)
	(c) research and development	(60)	(60)
	(d) leased assets	-	-
	(e) other working capital	(398)	(398)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	27	27
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – R&D tax refund	97	97
Net operating cash flows		(371)	(371)

+ 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 (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(371)	(371)
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	(110)	(110)
(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	(110)	(110)
1.14 Total operating and investing cash flows	(481)	(481)
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 Other – Capital raising costs	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(481)	(481)
1.21 Cash at beginning of quarter/year to date	2,656	2,656
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	2,175	2,175

+ 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	195
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, superannuation and leave entitlements for directors during the quarter ended 30 September 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	-	-

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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	2,175	2,656
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		2,175	2,656

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: 29th October 2010
 (Company Secretary)

Print name: Ian Gregory

+ 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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