



ASX Release - CAQ

Appendix 4C Quarterly Report – January to March 2011

29 April 2011: During the March quarter, 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 the South African, Singapore and Malaysian opportunities.

Thailand Operations

CAQ recently began the progressive retrofitting of an existing land-based aquaculture operation with specialist 'Cell' filtration equipment, to establish a low-cost, high-yielding Australian Barramundi production facility, located near Phuket, Thailand. In addition to the retro-fitted facility, the Company has now also commenced the establishment of a new specialist, purpose built 'Cell' production facility. These development works, as well as the fish stocking and production costs, account for a significant portion of the cash outflow during the quarter.

Barramundi production is progressing well and initial harvests remain on schedule for June 2011. Once harvests commence, this will represent strong consistent ongoing cash flows for the Company.

Cell Aqua Foods

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

Via Cell Aqua Foods, the Company continues to actively develop new products and markets for a unique range of seafood products – all marketed under the Company's Eco-Star™ brand.

Cell Aqua Foods recently undertook a soft launch of its new range of chef inspired, gourmet, convenience 'ready to cook' Barramundi meals, through a select number of local supermarkets. Feedback on the new product range has been outstanding and the Company has now advanced discussions for distribution of this product range throughout

Western Australia, followed by national distribution once a steady supply of Barramundi can be harvested from the Thailand operations, commencing in June.

Further information on Cell Aqua's new products can be viewed at: www.ecostarfoods.com.au

During the quarter, CAQ generated revenue in excess of \$180,000 (actual cash received \$147,000), primarily from Cell Aqua Foods. Revenues are expected to significantly increase once a steady Barramundi supply is achieved from the Thailand operations and distribution can develop nationally.

South Africa, Singapore and Malaysian Projects

The Company continued to progress its various opportunities in South Africa, Singapore and Malaysia during the quarter.

Strong progress is now being made on the South African project, with favourable indications received from various government departments. A joint venture Shareholders Agreement is now under negotiation with the Company's South African partners and further updates on this project will be provided in due course.

Enquiries:

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About 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

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 March 2011

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	147	401
1.2	Payments for		
	(a) staff costs	(53)	(324)
	(b) advertising and marketing	(29)	(44)
	(c) research and development	(71)	(182)
	(d) leased assets	-	-
	(e) other working capital	(647)	(1,545)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	13	60
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – R&D tax refund	-	97
Net operating cash flows		(640)	(1,537)

+ 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 (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(640)	(1,537)
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	(80)	(224)
(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	(80)	(224)
1.14 Total operating and investing cash flows	(720)	(1,761)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	54	54
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	246	246
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other – Capital raising costs	-	-
Net financing cash flows	300	300
Net increase (decrease) in cash held	(420)	(1,461)
1.21 Cash at beginning of quarter/year to date	1,615	2,656
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	1,195	1,195

+ 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	204
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 and director's fee to directors during the quarter ended 31 March 2011.	

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	5,528	296
3.2 Credit standby arrangements	-	-

CAQ can issue convertible notes to La Jolla Cove Investors, Inc., to obtain total funding of US\$6 million. As at 31 March 2011, US\$300,000 (approximately A\$ 296,000 based on exchange rates at drawdown dates) has been drawn and AUD 50,000 has been converted into ordinary shares of CAQ. At the end of the quarter, US\$5.7 million (approximately A\$ 5,528,000 based on exchange rate at reporting date) is available to be drawn.

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Appendix 4C
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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	1,195	1,615
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		1,195	1,615

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: 29 April 2011
 (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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