

## **WA Business News**

### **Asian deal for Cell Aquaculture**

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Asia appears to be on the menu for Fremantle-based Cell Aquaculture Ltd after the company landed a deal to expand into this potentially lucrative market.

The company signed a Heads of Agreement and received a deposit payment from the Terengganu Agrotech Development Corporation, an entity wholly owned and controlled by the Terengganu State Government in Malaysia, to form a joint venture company to establish a 500 ton per annum land based Cell production system.

Cell will hold 30 per cent and TADC will hold 70 per cent of the issued capital in the joint venture company with execution of the formal agreement for the joint venture expected to be finalised in the coming weeks.

Cell Aquaculture chairman Robert Sewell said that due to the high seafood consumption, Asia had always been on the company's radar.

"A well developed relationship with TADC and the fact that they are a government body, gives us a great deal of comfort in progressing this venture," he said.

The company believes the joint venture will generate significant revenue from the sale of Cell proprietary equipment, License Fees and Fingerling Supply (baby fish) from its hatchery.

Cell's equity holding in the joint venture company will also result in significant ongoing sustainable revenues to Cell from fish sales.

"This venture provides us with an economic cost base to access Asia and it is our intention to export the majority of finished seafood product into lucrative markets such as Japan, Singapore and Hong Kong.

The production of approximately 500,000 kg of product will see us starting to reach the critical mass and economies that these large markets require," Mr Sewell said.

"Once production has been established from this venture, we have achieved a significant milestone in our international expansion, with a production base and presence in each of our target continents of: Europe, United States, Asia and Australia. With these production bases established, we are in a very strong position to readily further expand our unique 'Hatch to Dispatch' offerings into our key markets," Mr Sewell said.

The news of the deal has seen the company's share price soar 10 per cent in today's trade with shares currently trading at 22 cents.