



29 April 2013

ANNOUNCEMENT 383

Market Announcements Office
Australian Securities Exchange
Level 6
20 Bridge Street
SYDNEY NSW 2000

By ASX Online
Number of pages: 2
(including this page)

Dear Sir,

CO2 Group Completes Concept Study for Project Sea Dragon

- Concept Study undertaken on proposed development of 10,000 ha prawn production enterprise;
- CO2 Group committed to next stage of project (Pre-Feasibility) with \$6 million invested to date;
- Discussions with off take partners and JV partners progressing well;
- Announcement on site selection to be made in coming weeks.

CO2 Group Limited (ASX:COZ) is pleased to announce completion of the Concept Study phase, the first significant milestone for Project Sea Dragon, the company's plan to develop a world class industrial-scale prawn farming project in Northern Australia being undertaken through its wholly owned subsidiary Western Australian Resources Limited (WARL).

Project Sea Dragon is an industry-transformational development of up to 10,000 hectares of land-based, black tiger prawn production facilities for national and international wholesale markets. CO2 Group Limited ("CO2" or "the Company") is pleased to confirm that WARL's project team which includes key personnel with extensive international large-scale shrimp farming expertise has completed the Concept Study with significant inputs from leading engineering services firm Sinclair Knight Merz (SKM), and a number of other key scientific and industry experts.

The engineering analysis and costings were combined with extensive bio-economic modeling to assess the project's financial viability.

Working with CO2's highly experienced land analysis team Project Sea Dragon has identified the best for-purpose land areas which will minimize costs and maximize efficiencies in developing and operating the project.

Key findings of the Concept Study were:

- Capex is within expected range;
- Opex, whilst location dependent, indicates strong financial returns are achievable;
- Governments have indicated strong support for the project;
- Multiple suitable land locations are available;
- Technical feasibility for the project is sound
- There is a strong global market demand for the product.

CO2 Group Limited

Level 11, 225 St Georges Terrace Perth WA 6000
PO Box 7312 Cloisters Square Perth WA 6850

Tel. 08 9321 4111 ABN 50 009 317 846
Fax. 08 9321 4411 www.co2australia.com.au

CO2 Group Limited is a corporate authorised representative ("CAR") (Number 420079) of Valuestream Investment Management Limited (ACN 094 107 034 AFSL 246621). The Group's licence numbers are: CO2 Group Limited (CAR # 420079); Carbon Banc Limited (CAR # 420080); CO2 Australia Limited (CAR # 420081).



Today's announcement is particularly significant in that the completion of the Concept Study has, with \$6 million invested to date, confirmed the attractiveness of the project and its economic viability resulting in approval to move to the next stage – Pre- Feasibility Study (PFS).

The Company will now consider under the PFS the finer engineering, production system and product marketing details of Project Sea Dragon which is based on creating a new food/ agribusiness industry in Northern Australia, which when completed, could supply up to 100,000 tonnes per annum of prawns – the world's most traded seafood commodity.

The Company has as part of the PFS commenced meetings with potential offtake partners who may purchase product, as well as other companies interested in joint venture operations and financial investment to develop part or the entire Project. CO2 is also well advanced in site selection and anticipates that announcements on securing several key site options will be made in the coming weeks.

The Company will provide regular progress updates as each step of the development of the Project is completed including finalisation of land acquisition, offtake agreements, joint venture partner agreements, and bankable feasibility.

Please refer any queries to Rob Bell (WARL Managing Director) or Harley Whitcombe on 08 9321 4111.

Yours faithfully,
CO2 Group Limited

A handwritten signature in black ink, appearing to read 'Harley Whitcombe'.

Harley Whitcombe
Company Secretary

For more information contact:

Reshma Pollard: Marketing and Communications Manager, CO2 Australia
03 9928 5111 or 0421 753 553 or reshma.pollard@co2australia.com.au
www.co2australia.com.au

Or

Judith Bence: Wilkinson Group
0415 903 849 or judith.bence@wilkinson-group.com.au

About WARL

Western Australian Resources Limited is a wholly-owned subsidiary of the CO2 Group Limited (ASX: COZ). WARL's vision is to develop a new, transformational agri/food enterprise in Australia through sustainable development of large-scale aquatic protein production systems. Leveraging off CO2 Group's expertise in sustainability project delivery track-record, WARL is currently undertaking feasibility studies to site, design and develop the first development of its vision – Project Sea Dragon – a world class, land-based prawn farming enterprise in northern Australia, to deliver reliable long-term supplies of sustainable, high quality volumes – of the world's most highly traded seafood commodity – to international markets, primarily in Asia.