

Our Ref: CGL ASX Announce Cleansing Notice: App 3B: Letters to Holders (409)

10 June 2014

Market Announcements Office
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

ANNOUNCEMENT 409

By ASX Online
Number of pages: 14
(including this page)

Dear Sir,

Commodities Group Limited

- **Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)**
- **Appendix 3B**
- **Letter to Eligible Shareholders**
- **Letter to Ineligible Foreign Shareholders**

This notice is given by Commodities Group Limited ACN 009 317 846 (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by Australian Securities and Investments Commission Class Order 08/35 (**CO 08/35**).

The Company has announced a pro-rata non-renounceable offer of approximately 201,266,922 fully paid ordinary shares, each at an issue price of A\$0.05 per share on the basis of 4 new ordinary shares for every 9 existing ordinary shares (**Entitlement Offer**). Shareholders whose registered addresses are situated in Australia and New Zealand (**Eligible Jurisdictions**) which are held as at 5.00 pm (AWST) on the record date of 16 June 2014 are eligible to participate in the Entitlement Offer.

The Company gives notice that:

- (1) the Company will offer the shares under the Offer without disclosure to investors under Part 6D.2 of the Corporations Act;
- (2) as at the date of this notice, the Company has complied with:
 - (a) Chapter 2M of the Corporations Act insofar as they apply to the Company; and
 - (b) section 674 of the Corporations Act;
- (3) as at the date of this notice, there is no excluded information (as defined in section 708AA(8) of the Corporations Act) which is required to be disclosed by the Company; and
- (4) any effect of the Entitlement Offer will have on the control of the Company will depend upon the extent to which shareholders take up their entitlements, and the extent to which the shortfall (if any) is placed. The potential consequences include:
 - (a) if all shareholders take up their full entitlements under the Entitlement Offer, the Entitlement Offer will have no effect on the control of the Company;
 - (b) if some shareholders do not take up entitlements under the Entitlement Offer (whether because they are ineligible shareholders or otherwise), their interest in the Company will be diluted. The

interest of shareholders who only take up part of their entitlement will also be diluted but to a lesser extent;

- (c) if there is a shortfall, shareholders who subscribe for additional shares may increase their proportionate holding, but no shareholder (other than Mr Ian Trahar) will, following the Entitlement Offer and allocation of any shortfall, obtain voting power in excess of 20%;
- (d) if the full amount of the Entitlement Offer, including any shortfall, is not subscribed for, Mr Trahar's percentage holding in the Company may increase following the take up of his entitlement. Mr Trahar and entities controlled by him currently own approximately 50.40% of the total number of shares on issue at the date of this notice. Mr Trahar has provided a commitment to the Company that he will take up his entitlement in relation to the Entitlement Offer. The Company's second largest shareholder, Mr Paul Favretto has also provided a commitment to the Company that he will take up his entitlement in relation to the Entitlement Offer. The Directors of the Company, including Mr Trahar and Mr Favretto, will not be applying for additional shares;
- (e) the potential increase in Mr Trahar's interest at various levels of take up under the Entitlement Offer is set out below:

Current interest	\$6m of new shares issued	\$8m of new shares issued	Full Entitlement Offer (approximately \$10m of new shares)
50.40%	57.56%	53.80%	50.40%

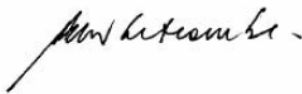
- (f) in allocating any shortfall, the Company will ensure compliance with all applicable laws including ensuring no other shareholder obtains voting power in 20% or more of total shares on issue.

Attached are the following documents:

- Pro-forma Appendix 3B;
- Sample letter to eligible shareholders to be sent 11 June 2014; and
- Sample letter to ineligible shareholders to be sent 11 June 2014.

Please telephone Harley Whitcombe on (08) 9321 4111 with any queries.

Yours faithfully
Commodities Group Limited



Harley Whitcombe
Company Secretary

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Commodities Group Limited

ABN

50 009 317 846

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 201,266,922 shares under a 4 for 9 pro rata rights issue, subject to the reconciliation of entitlements and rounding |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

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+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?	Yes
	<p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	
5	Issue price or consideration	\$0.05 per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To fund the growth of Commodities Group Limited's aquaculture business as well as for working capital purposes and debt reduction
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	N/A	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A	
7	<p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	3 July 2014	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		Up to 654,117,497	Fully paid ordinary shares

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Nil	Nil

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change to existing policy
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Part 2 - Pro rata issue

11 Is security holder approval required?	No
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12 Is the issue renounceable or non-renounceable?	Non-renounceable
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13 Ratio in which the +securities will be offered	4 shares for every 9 shares held on the record date
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14 +Class of +securities to which the offer relates	Fully paid ordinary shares
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15 +Record date to determine entitlements	16 June 2014
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16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
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17 Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded down to the nearest whole number
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18 Names of countries in which the entity has security holders who will not be sent new offer documents	All countries other than Australia and New Zealand
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Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations	27 June 2014
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+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	18 June 2014
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A - there will be no rights trading
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

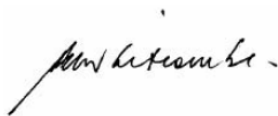
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 10 June 2014
(Director/Company secretary)

Print name: Harley Whitcombe

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+ See chapter 19 for defined terms.

**COMMODITIES
GROUP
LIMITED**

11 June 2014

┌ 000001 000 COZ
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Shareholder

Pro rata non – renounceable entitlement offer

Commodities Group Limited (**Company**) is undertaking a pro rata non-renounceable entitlement offer to existing eligible shareholders (**Eligible Shareholders**) to raise up to approximately \$10 million (before costs) (**Entitlement Offer**).

The Entitlement Offer will be offered to Eligible Shareholders on the basis of 4 new ordinary shares (**New Shares**) for every 9 existing ordinary shares held, at an offer price of \$0.05 per New Share, which represents a discount of approximately 19% from the 5 day VWAP prior to the date of announcement.

The Entitlement Offer is being conducted by the Company without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth).

The key information in connection with the Entitlement Offer and important dates are set out on the attachment for your reference.

Eligible Shareholders who wish to subscribe for New Shares will need to use the Entitlement and Acceptance Form that accompanies the Offer Document in accordance with the instructions printed on that form. Eligible Shareholders should read the Offer Document carefully before deciding whether to subscribe for New Shares.

Further information

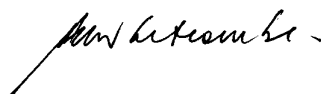
The Offer Document was released to the ASX on 10 June 2014, and is available on the Company's website (www.co2australia.com.au) and on ASX's company announcements platform (accessible at www.asx.com.au).

If you have any questions regarding your entitlement please contact the Company's share registry, Computershare Investor Services Pty Ltd, by telephone on 1300 478 904 (inside Australia) or +61 3 9415 4288 (outside Australia).

General enquiries in relation to the Company or the Entitlement Offer can be made to the Company Secretary at Level 11, 225 St Georges Terrace, Perth, Western Australia or by telephone on +61 8 9321 4111 at any time between 8.30am and 5.00pm (AWST time) on any business day until the closing date of the Entitlement Offer.

Yours faithfully

Commodities Group Limited



Harley Whitcombe
Company Secretary

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

Tel. 08 9321 4111
Fax. 08 9321 4411

www.co2australia.com.au
ABN 50 009 317 846

Commodities Group Limited is a corporate authorised representative ("CAR") (Number 420079) of CO2 Group Financial Services Pty Ltd (ABN 92 142 542 774 AFSL 388086). The Group's Authorised Representative numbers are: Commodities Group Limited (CAR # 420079); Carbon Banc Limited (CAR # 420080); CO2 Australia Limited (CAR # 420081).

Details of the Entitlement Offer	The Entitlement Offer is non-renounceable and is being undertaken on the basis of 4 New Shares for every 9 shares held, at an issue price of \$0.05 per New Share (Issue Price).
Who will be eligible to participate?	Eligible Shareholders who are eligible to participate in the Entitlement Offer are shareholders who: <ul style="list-style-type: none"> • are registered as a shareholder of the Company as at 5.00pm (AWST) on 16 June 2014 (Record Date); • have a registered address in Australia or New Zealand; and • are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
How will fractional entitlements be calculated?	Fractional entitlements to New Shares will be rounded down to the nearest whole number.
How many New Shares will be issued?	The Company will allot approximately 201,266,922 New Shares under the Entitlement Offer.
How will the New Shares be treated?	The New Shares issued will rank equally with existing shares in the Company.
Can I apply for more than my entitlement of New Shares?	Eligible Shareholders will be entitled to apply for New Shares in excess of their entitlement (Additional Shares). Additional Shares will only be allocated if there are sufficient New Shares from Eligible Shareholders who do not take up their full entitlements under the Entitlement Offer. Additional Shares will be allocated on a pro rata basis having regard to Eligible Shareholders' interests at 5.00 pm (AWST) on the Record Date.
Is there an underwriter to the Entitlement Offer?	The Entitlement Offer is not underwritten.
Is there a broker to the Entitlement Offer?	There is no broker to the Entitlement Offer.
Is shareholder approval required for the Entitlement Offer?	Shareholder approval is not required for the Entitlement Offer.
Can I trade my rights?	As this is a non-renounceable Entitlement Offer, you will not be entitled to trade your rights.
What will the funds raised be used for?	The proceeds of the Entitlement Offer will be used to fund the growth of the Company's aquaculture business as well as to repay debt and for working capital purposes.

The important dates for the Entitlement Offer are:

Announcement of Entitlement Offer	2 June 2014
Release of investor presentation	4 June 2014
Lodgement of Appendix 3B, cleansing notice and Offer Document with ASX	10 June 2014
Notice of Entitlement Offer to shareholders	11 June 2014
Shares quoted on an "ex" basis	12 June 2014
Record Date	16 June 2014, 5pm (AWST)
Offer Document and Entitlement and Acceptance Forms to Eligible Shareholders despatched to Eligible Shareholders	18 June 2014
Opening date for the Entitlement Offer	18 June 2014
Closing date for the Entitlement Offer – last date for lodgement of Entitlement and Acceptance Forms and payment in full	27 June 2014, 5pm (AWST)
Issue of New Shares	3 July 2014
New Shares commence trading on ASX	4 July 2014
Dispatch of holding statements to shareholders	4 July 2014

**COMMODITIES
GROUP
LIMITED**

┌ 000001 000 COZ
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

11 June 2014

Dear Shareholder

Pro rata non - renounceable entitlement offer – notification to ineligible shareholders

Commodities Group Limited (**Company**) is undertaking a pro rata non-renounceable entitlement offer to existing eligible shareholders (**Eligible Shareholders**) to raise up to approximately \$10 million (before costs) (**Entitlement Offer**).

The Entitlement Offer will be offered to Eligible Shareholders on the basis of 4 new ordinary shares (**New Shares**) for every 9 existing ordinary shares held, at an offer price of \$0.05 per New Share, which represents a discount of approximately 19% from the 5 day VWAP prior to the date of announcement.

Eligible Shareholders will also be able to apply for New Shares in excess of their entitlement. New Shares in excess of entitlements will only be allocated if there are sufficient New Shares from Eligible Shareholders who do not take up their full entitlements, and will be allocated on a pro rata basis having regard to Eligible Shareholders' interests at 5.00 pm (AWST) on 16 June 2014 (**Record Date**).

The Company wishes to advise you that it will not be extending the Entitlement Offer to you, as you do not satisfy the eligibility criteria for an Eligible Shareholder. Further details on the eligibility criteria are set out on the attachment for your reference.

Further information

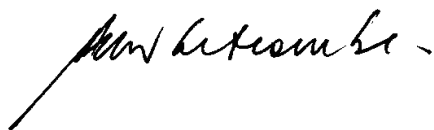
The Offer Document was released to the ASX on 10 June 2014, and is available on the Company's website (www.co2australia.com.au) and on ASX's company announcements platform (accessible at www.asx.com.au).

If you have any questions regarding your entitlement please contact the Company's share registry, Computershare Investor Services Pty Ltd, by telephone on 1300 478 904 (inside Australia) or +61 3 9415 4288 (outside Australia).

General enquiries in relation to the Company or the Entitlement Offer can be made to the Company Secretary at Level 11, 225 St Georges Terrace, Perth, Western Australia or by telephone on +61 8 9321 4111 at any time between 8.30am and 5.00pm (AWST time) on any business day until the closing date of the Entitlement Offer.

Yours faithfully

Commodities Group Limited



Harley Whitcombe
Company Secretary

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Who are Eligible Shareholders?	<p>Eligible Shareholders who are eligible to participate in the Entitlement Offer are shareholders who:</p> <ul style="list-style-type: none"> • are registered as a shareholder of the Company as at 5.00 pm (AWST) on the Record Date; • have a registered address in Australia or New Zealand; and • are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
Do you meet the eligibility criteria?	<p>Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder, you are not eligible to subscribe for New Shares and you will not be sent a copy of the offer documents.</p> <p>The Company wishes to advise you that it will not be extending the Entitlement Offer to you.</p>
Why are there restrictions on eligibility?	<p>There are restrictions on eligibility because of:</p> <ul style="list-style-type: none"> • the legal limitations in some countries; • the relatively small number of shareholders in some countries; • the small number of shares those shareholders hold; and • the potential cost of complying with regulatory requirements in those countries. <p>The Company has determined, pursuant to ASX Listing Rule 7.7.1(a), that it would be unreasonable to make offers to shareholders in all countries in connection with the Entitlement Offer.</p>
Do you need to do anything?	<p>You are not required to do anything in response to this letter.</p> <p>This letter is to inform you about the Entitlement Offer, the details of which are provided in this letter and is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.</p>