



Our Ref: CO2 ASX Announce Aquaculture Presentation (382)

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Dear Sir,

CO2 Group Aquaculture Presentation

Following is a CO2 Group broker presentation reporting on its new aquaculture project. The material will be provided to various investment houses over the next three days.

The presentation provides an update on various aspects of the aquaculture project.

Yours faithfully,

CO2 Group Limited

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

Harley Whitcombe
Company Secretary

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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).

Developing a world-class agri-food operation in Northern Australia

“More food will have to be produced over the next decades than has been produced during the past 10,000 years combined...”

(FAO 2011)

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Overview and Summary of Project Sea Dragon

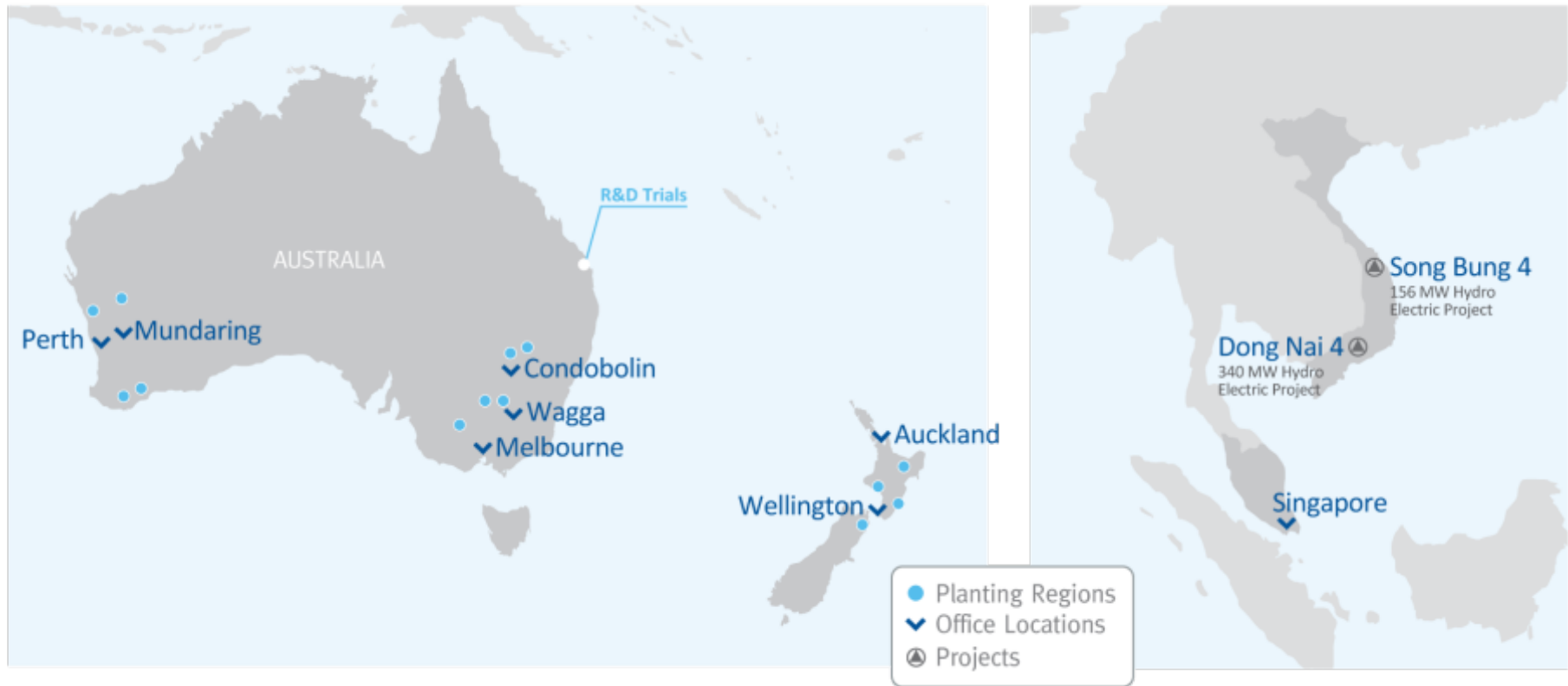
- > CO2 is establishing a large-scale Protein Project for Asian markets – ‘Project Sea Dragon’
- > Project Sea Dragon is a large-scale integrated land-based aquatic operation which will produce up to 100,000 metric tonnes of prawns for international markets
- > \$6 million invested to date on project feasibility
- > Experienced team in place – instrumental in developing one of the world’s largest prawn farming companies in Saudi Arabia
- > Site locations in Northern Australia secured
- > Project Sea Dragon is a game changer

CO2 Group's role in underpinning Project Sea Dragon's development

CO2 Group Overview



CO2 Group Operations Map



CO2 Company Snapshot & Financial Summary

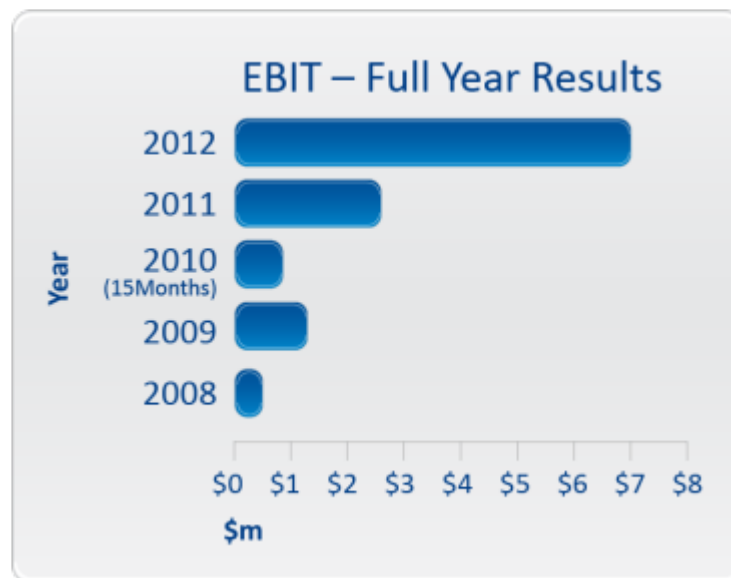
Capital Structure

ASX Code	COZ
Shares on Issue	448, 278, 714
Market Cap (\$)	\$43 million (@10c)
Share Price <small>(52 week High-Low)</small>	\$0.09 – \$0.18
Cash at Bank	~\$28 million
Debt	Nil
Shareholders	2, 258
Top 20	72.9%

	2012	2011	%Change
Total Sales Revenue	\$64.3m	\$35.4m	81%
EBITDA	\$7.55m	\$2.7m	180%
Net Profit after Tax	\$4.9m	\$1.5m	237%
Cash Reserves	\$28m	\$17.9m	56%
Earnings per Share <small>(cents)</small>	1.19	0.52	129%

Strong balance sheet and cash flow for CO2 provides initial funding

CO2 Company Snapshot & Financial Summary (cont.)



Strong balance sheet and cash flow for CO2 provides initial funding

CO2 Group is the right platform for Project Sea Dragon



Highly experienced in Agri-Project delivery

Established and manages 30,000ha of environmental plantings

Project management capabilities in agri sector

Strong Balance Sheet

Strong financial platform in place

Strong cash reserve

Provides financial flexibility for first project phase

Ability to fund BFS

Deep Government & Regulatory Expertise

Solid Federal and State Government connections

Experience dealing with government departments

Regulatory affairs skills

Outstanding Environmental & Scientific Capabilities

Long term relationships with CSIRO and Universities

Experience delivering complex and unique environment projects

Environmental management skills

Market leading trading experience

Established environmental markets, trading capabilities in Australia, NZ and Asia

AFSL in place

Trading capabilities applicable to agribusiness

All the elements are in place to build a large Protein Play for Asian markets

Macro Factors driving food demand

Asia's demand for food will be a key driver

World agri-food demand by region



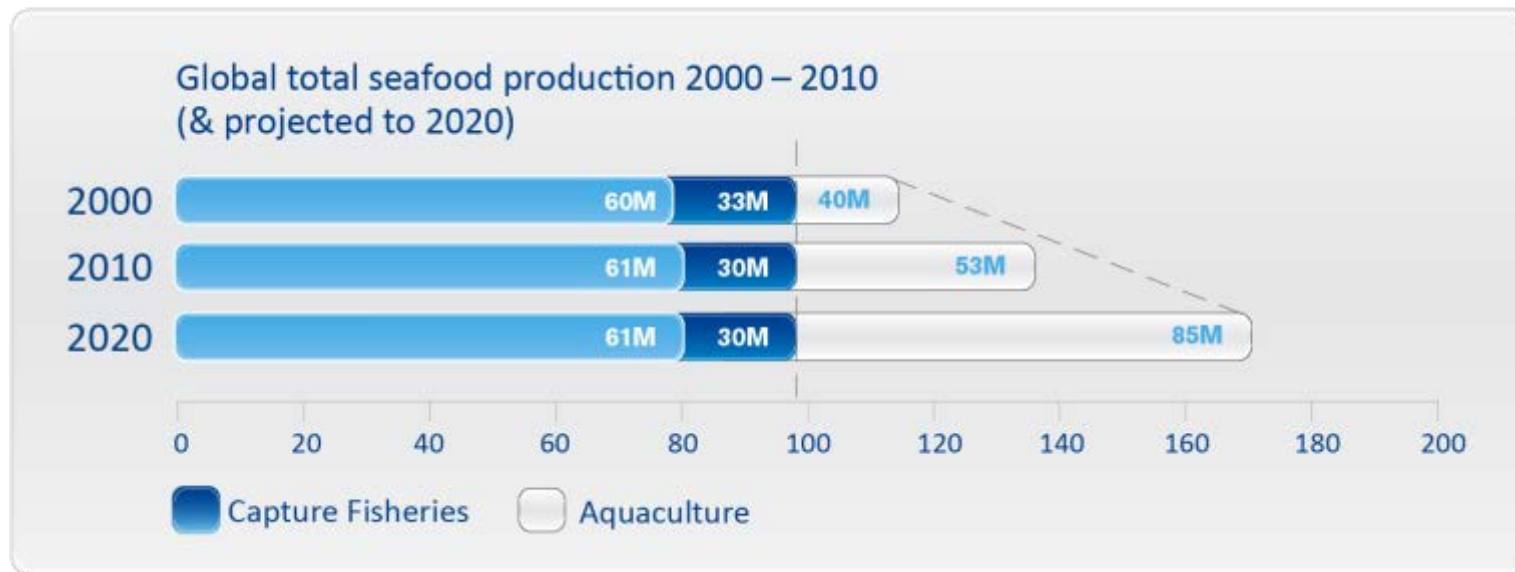
Demand in Asia expected to double by 2050, accounting for 70% of global increase

SOURCE: ABARES – 2013

CO2 – Developing a world-class agri-food operation in Northern Australia

Key features and drivers of the seafood industry

- > Fisheries are the last wild catch source of protein
- > Wild catch supply cannot sustainably increase

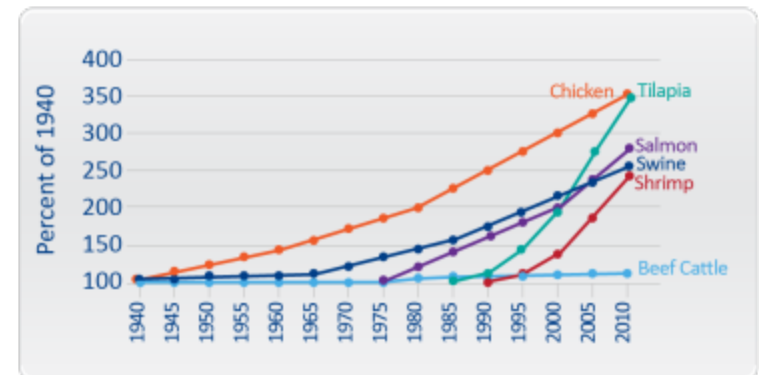
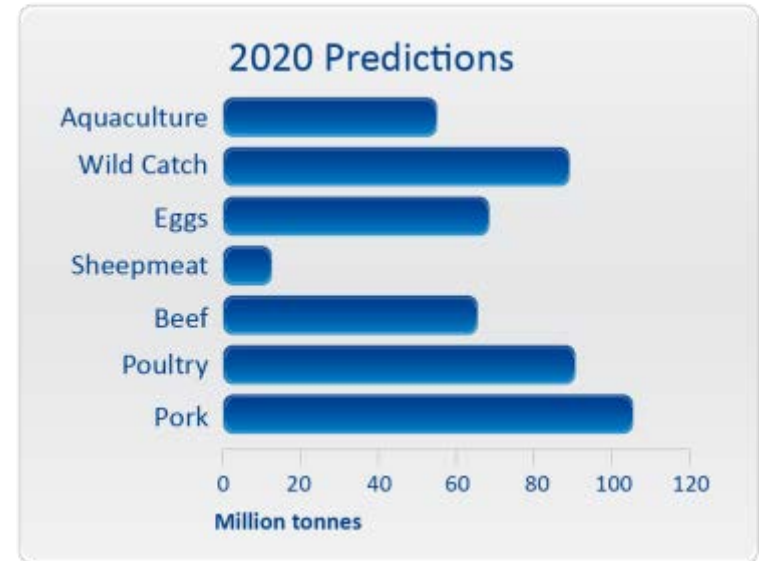


SOURCE: CSIRO

CO2 – Developing a world-class agri-food operation in Northern Australia

Changing landscape of protein production

- > Fish and shrimp farming growing rapidly
 - > Fastest growing protein sector for last 30 years
 - > >80 Mmtpa by 2020
 - > Third largest protein industry behind poultry & pork
 - > Well ahead of beef
- > Chinese aquaculture production already equals poultry
 - > Rapid expansion
 - > But a young industry
 - > High rate of technology advances



SOURCE: FAO – 2011

CO2 – Developing a world-class agri-food operation in Northern Australia

Unregulated fish & shrimp farming in Asia – an opportunity for Australia

- > Concern over contaminants in Asian cultured seafood products
- > Australian systems can:
 - > Deliver high-quality, consistent volumes of produce
 - > Operate with minimal environmental impact
 - > Use sustainable input feed raw materials
- > Future of aquaculture system lies in:
 - > Larger sea sites further from shore
 - > Larger, more-sophisticated land-based production
- > This creates a new and significant development opportunity for Northern Australia



The business model

How we will operate and what we have learned

Operating Philosophy

- > High volume low cost producer
- > Strategies to optimise margin per hectare per day – combine tonnage & size
- > Utilise technology to reduce labour costs
- > Engagement with local communities
- > Strict Biosecurity measures
- > Ongoing training & development of Human Capital
- > Quality Assurance

Knowledge Levers

- > Size matters
- > Good people matter
- > Focus on biosecurity from site selection and the design phase
- > Optimise size and volume balance
- > Technology is available to minimise costs

Building a world-class agri-business operation

A new and scalable Protein Play in Northern Australia

Australia's current protein production model to export to Asian market

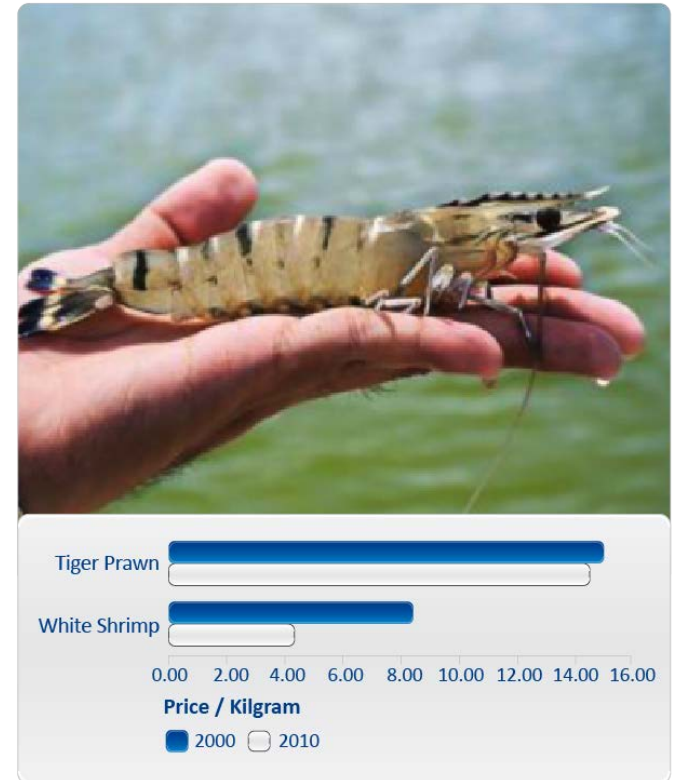


Building a new and relevant Protein Play for Asian markets



Prawns (shrimp) are a lower-risk & profitable food entry point

- > Global shrimp production – 7M t produced annually
- > Largest internationally traded seafood commodity (in value)
- > One of the most advanced aquaculture sectors
 - > Farmed shrimp constitutes 15% of value of all internationally traded fishery products
- > Australia total prawn production
 - > ~26,000 tonnes pa
 - > 1/1000th of China's aquacultured prawn production
- > The 'Big Australia' shrimp
 - > Genetic research programs (CSIRO)
 - > Feed optimisation programs (CSIRO)



SOURCE: FAO – 2011

CO2 – Developing a world-class agri-food operation in Northern Australia

The business – it's all about Protein in Asia

- > Developing a stand-alone prawn (shrimp) production unit
- > 10,000 – 15,000ha in Northern Australia
- > Staged development
- > Financial returns from the project are robust
 - > Forecast IRR>40%
- > Leveraging Australian advantages
 - > 'Worlds best practice' industries
 - > Australia's natural advantages
 - > Infrastructure
 - > Technical skills & labour
 - > Economical & political stability
 - > Access to raw materials (feeds)
 - > Biosecurity
 - > Scale and industrialisation – key factors



Experienced Management Team

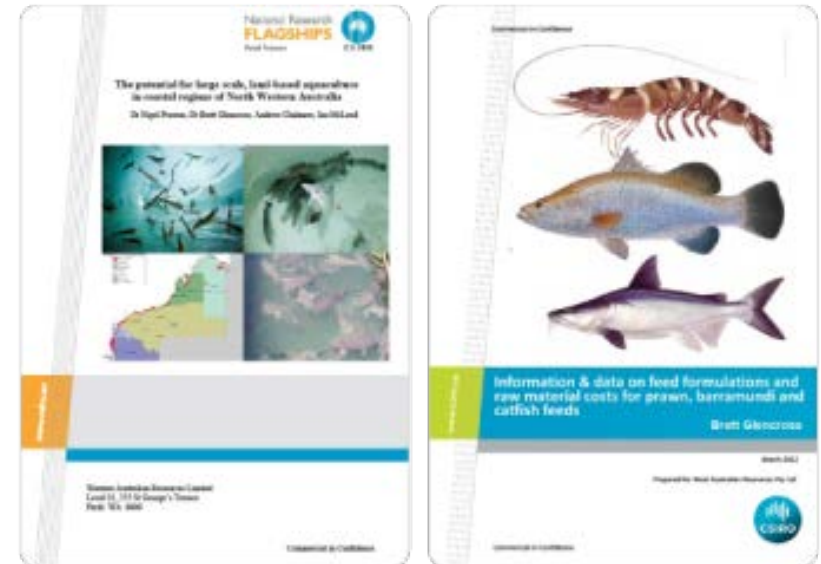
- > National Prawn Company – one of the world's largest fully integrated prawn farming companies
 - > 4,300ha of prawn ponds
 - > 150 tonnes per day processing plant and 15,000 tonnes pa production
 - > 100 million juveniles per week hatchery
 - > 50,000 tonnes pa feed mill
- > Strong team with knowledge and field experience relating to:
 - > Breeding programs
 - > Hatchery operations
 - > Production
 - > Harvesting and processing
 - > Global sales and marketing

Project Sea Dragon based on a proven prawn farm production model



Utilising CSIRO expertise

- > A world-class aquaculture scientific research organisation
- > Forefront of Australian prawn farming R&D
- > Key areas of research – driving a more sustainable and profitable industry future
- > Has undertaken several consultancy projects with CO2 Group
- > CSIRO and CO2 in discussions on long-term collaboration in key project areas



Milestones to date and timeline

Progress to date

- > Concept study completed – \$6 million investment to date
- > Discussions with Government well advances and ongoing – positive and encouraging
- > Advanced discussions with several project partners
- > Pre-feasibility now underway
- > Recruited team leader with extensive experience in prawn farming (instrumental in building and operating world class Saudi projects)
- > Project team and consultants in place
- > Sites selected in Northern Australia

CORRS
CHAMBERS
WESTGARTH
lawyers



HERBERT
SMITH
FREEHILLS



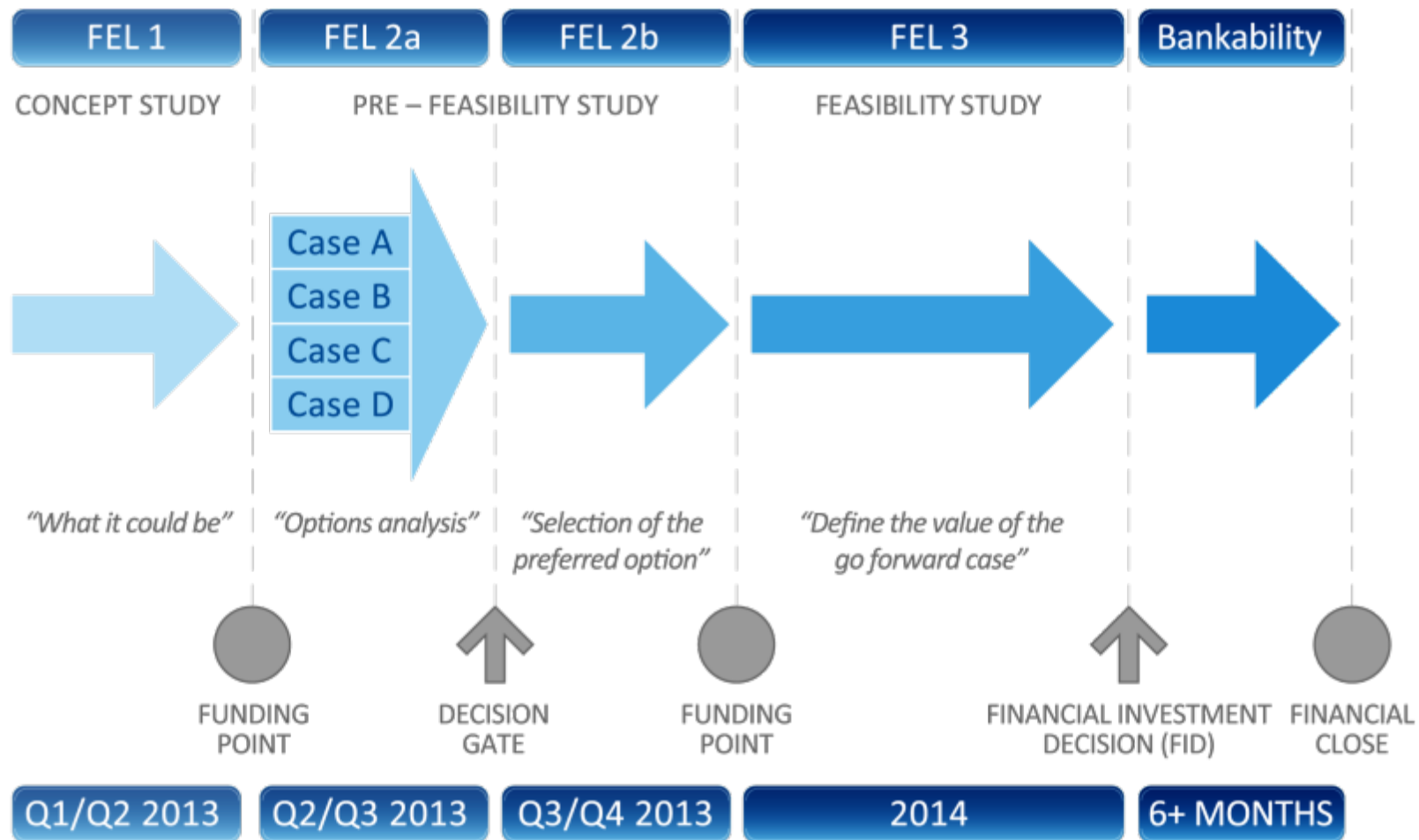
National Research
FLAGSHIPS



SINCLAIR KNIGHT MERZ
SKM

Experienced service providers underpinning Project Sea Dragon

Project delivery schedule from concept to financial close

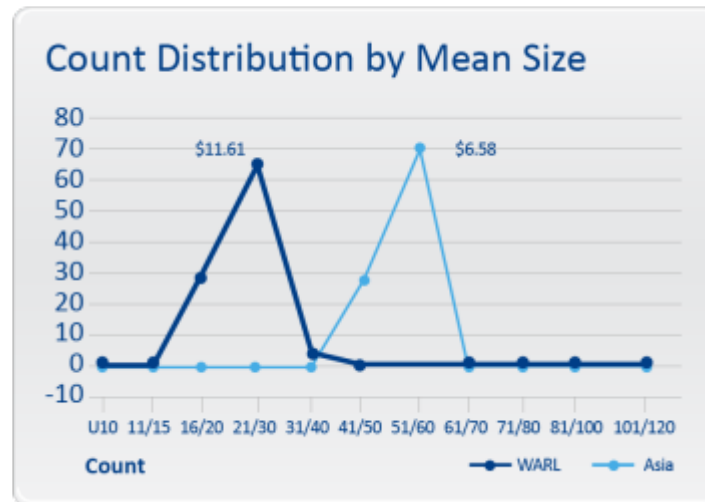


Financial outline

- > Expected expenditure at Financial Close
 - > Funding is in place
 - > Completion circa Q4 2014 (Detailed Feasibility Study)
- > Project to be staged
 - > Stage 1 expected to be ~3,000 ha
 - > Expected CAPEX – \$400 million
 - > Annual revenue at full production – \$400 million pa
- > Stage 2 and 3
 - > Different equity structures for each stage are possible
 - > Can commence on completion and during operation of previous stage

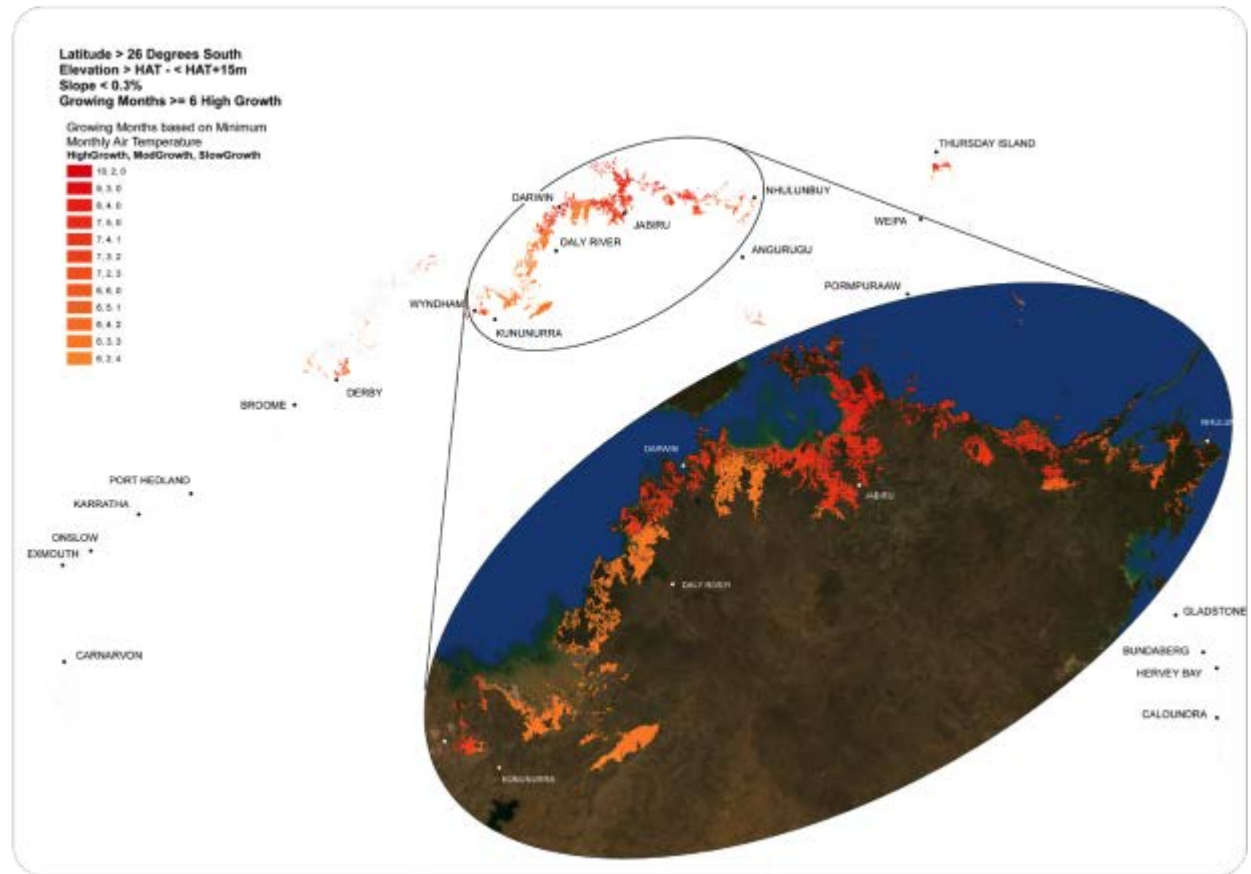
Where Project Sea Dragon will be positioned in the market

- > Project Sea Dragon will be a top 10 global producer
- > Top 7 nationally
- > Will produce larger size / count product
- > Product commands higher price – US\$11/5kg



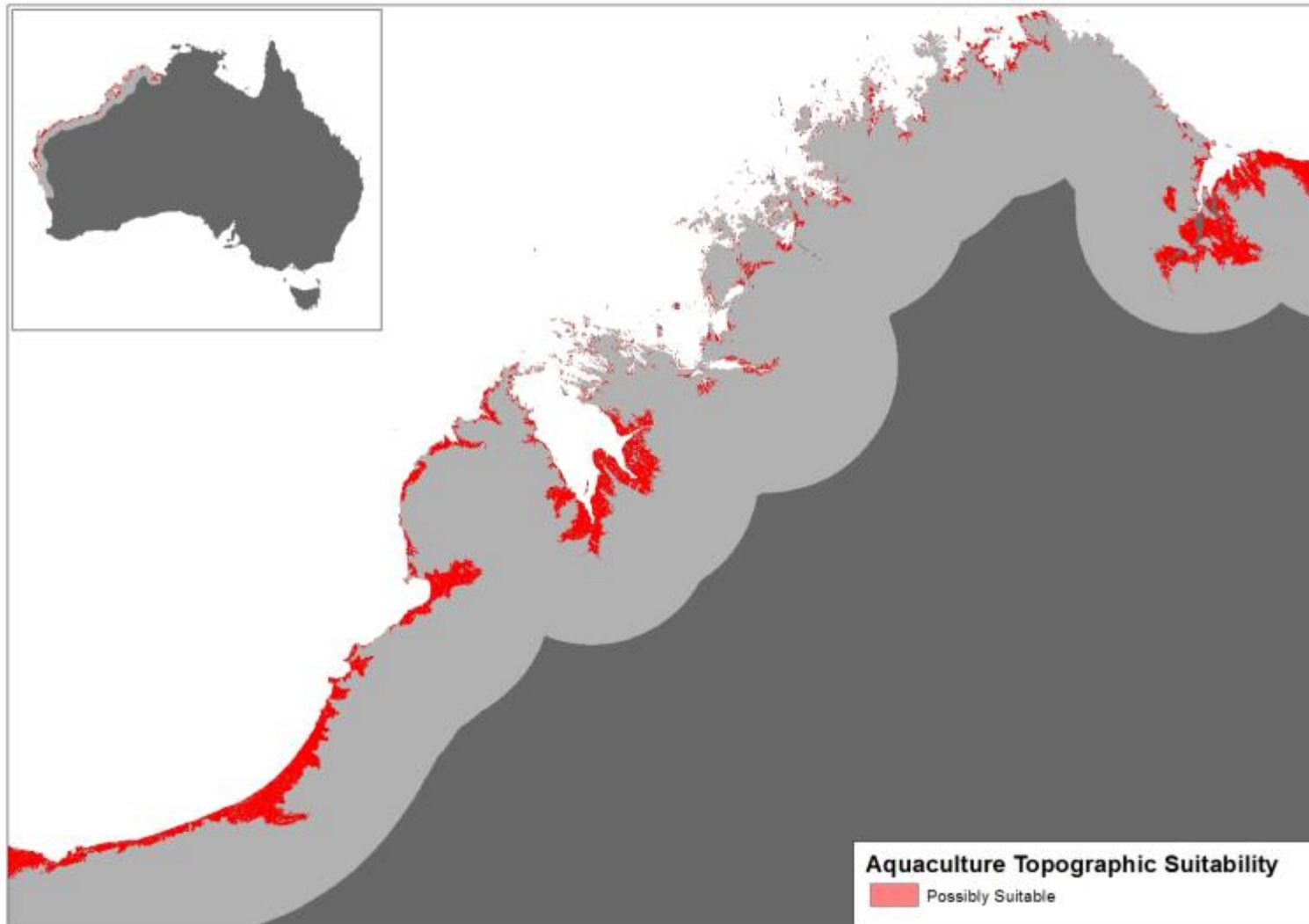
Identified suitable large scale locations

- > Five large scale regions
 - > Northern Australia
 - > >10,000ha pond developments
- > CO2 undertaking detailed, analysis of site attributes
- > Builds on GIS capabilities and skills within the CO2 Group



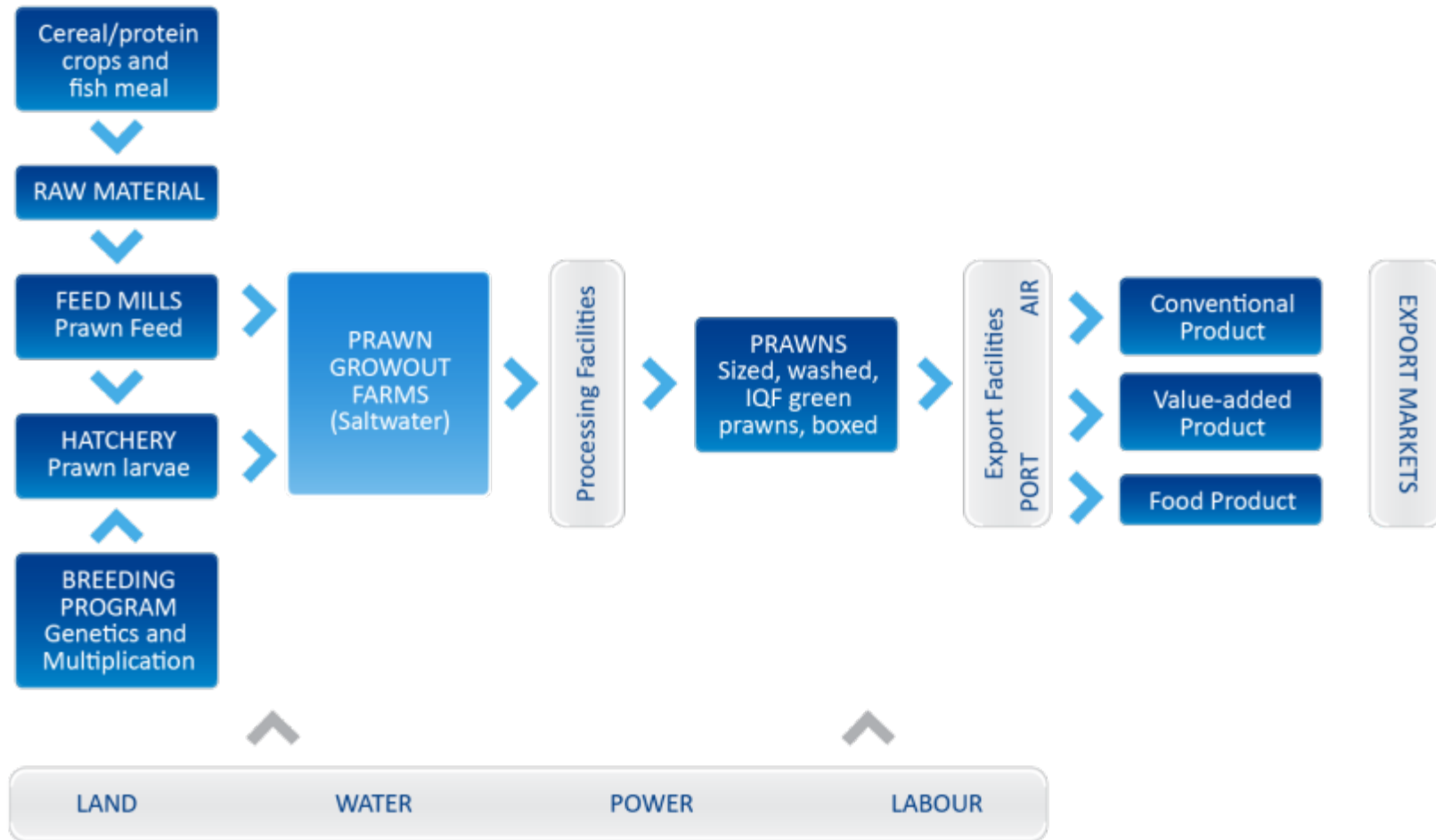
Regional assessment of North Western Australia land suitability

Identified suitable large scale locations (cont.)



Prawn Farming – A proven and accepted production process

Production system infrastructure components



A Proven Process – Agribusiness



BIOSECURITY

Australia – enviable reputation for biosecurity

Free of shrimp pathogens of significant consequence

Design biosecurity into the project from concept

World leading technology and science

Diagnostics and surveillance



SHRIMP HEALTH AND DIAGNOSTICS

Biosecurity planning

Disease surveillance

Health training

Diagnostic laboratory and services



BREEDING

Specific indoor biosecure site

Primary site and mirror site

Clear breeding objectives

Marker assisted selection

Drive alignment between GO and BP



MULTIPLICATION CENTRE

Dedicated facility and mirror sites

Produces broodstock for supply to commercial hatchery

Post-Larvae supplied from Breeding Program

Size section before sending to hatchery

Best indoors

Infrastructure designed and located to get best spawner performance



HATCHERY OPERATIONS

Biosecurity key and strict protocols

Physically isolated location

Designed and operated for best survival and PL quality

Strict QA protocols for PA acceptance

A Proven Process – Agribusiness (cont.)



SHRIMP PRODUCTION

Technology used to reduce costs:

Automated feeding

Automated water monitoring

Centralised data control

Growth & Stocking strategies chosen to provide optimal margin per ha per day

Maintaining dissolved oxygen concentration critical to optimise profitability

Applied science to improve FCR growth rates and harvest accuracy



FEED MILL

Significant variable cost

Contribute to low cost producer status through Feed Conversion Ratio (FCR)

Nutritionist to optimise cost

Most feeds to be delivered in bulk to the farm



HARVEST

Shrimp harvested directly into slurry ice

Semi automated system

Core temperature is maintained below 40°C

Delivered to the Processing Plant within 1 hour



PROCESSING

~500 tonne capacity per day

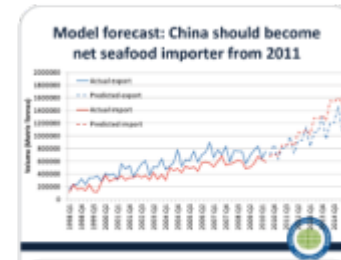
Freezing capacity of 31 tonnes per hour

Driven by quality

Automated, low labour technologies

Standardised packaging and product outputs

Soft shell and loose shell rejects – Individual Quick Frozen (IQF) for reprocessing offshore



SALES AND MARKETING

Focus on export markets

China's growing middle class

Off-take agreements

Standardised product:

3 core brands

Private labels

70% sales to Asia

Next steps – key short term undertaking to re-rate
CO₂

Next steps

1. Secure Joint Venture Partner to take Project Sea Dragon to FID
2. Sounding meetings held in China, Thailand and USA
3. Strong interest to date
4. Data Room established
5. Now that FEL1 is complete, advanced discussions with potential partners are being progressed

In Summary

- > CO2 is establishing a world-scale Protein Play for Asian markets – Project Sea Dragon
- > Will change the face of agribusiness in Australia – Project Sea Dragon will represent 5.5% of Australia's agri exports when fully developed
- > CO2 is fully committed to project – \$6 million invested by end FY2013
- > Project Sea Dragon is NOT 'Research & Development' – Proven partners with a proven model
- > Right team in place – experienced in all facets of large-scale prawn farming and sales
- > CO'S existing platform gives Sea Dragon a major head start – foundation is now in place

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