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14 February 2013

ANNOUNCEMENT 377

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Dear Sir

**RE: ANNUAL GENERAL MEETING OF SHAREHOLDERS
ADDRESSES TO SHAREHOLDERS**

We enclose herewith a copy of the Addresses to Shareholders which will be presented at the Company's Annual General Meeting to be held at 12.00 noon today, 14 February 2013.

Further information on Western Australian Resources Limited can be found on the Company's web site www.co2australia.com.au.

Yours faithfully
CO2 Group Limited

Harley Whitcombe
Company Secretary

ENC

CO2 Group Limited

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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).

Annual General Meeting

CO2 Group Limited

14 February 2013



Creating a better climate

Agenda

1. Welcome
2. Year in Review
3. Financial and Operational highlights
4. Outlook for 2013
5. Western Australian Resources Ltd (WARL)
6. Close

Results at a glance: A record Year

	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 (cents)	1.19	0.52	129%

A diversified business



Corporate Overview



- Carbon Advisory
- Carbon Forests
- Environmental Plantings



- Carbon Advisory
- Carbon Forests
- Environmental Plantings



- Credit Origination (CDM)



Carbon Banc™

- Carbon Trading

**Western
Australian
Resources
Limited**

- Aquaculture



Creating a better climate

Operational Highlights FY2012

Carbon Forest Estate

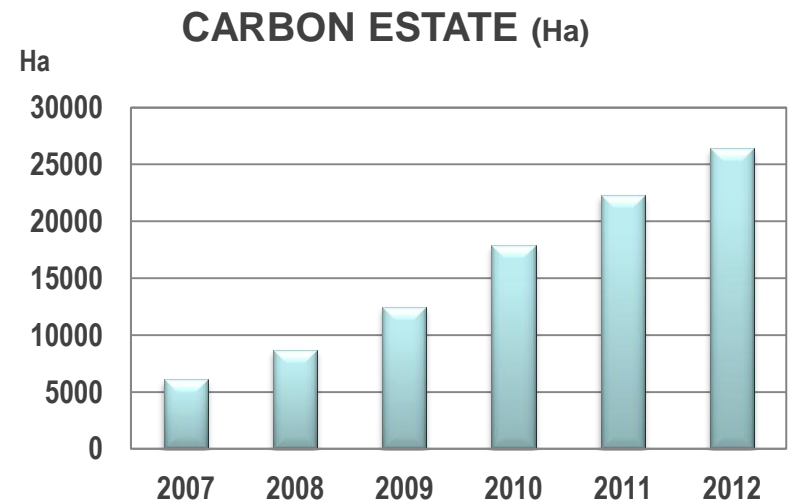
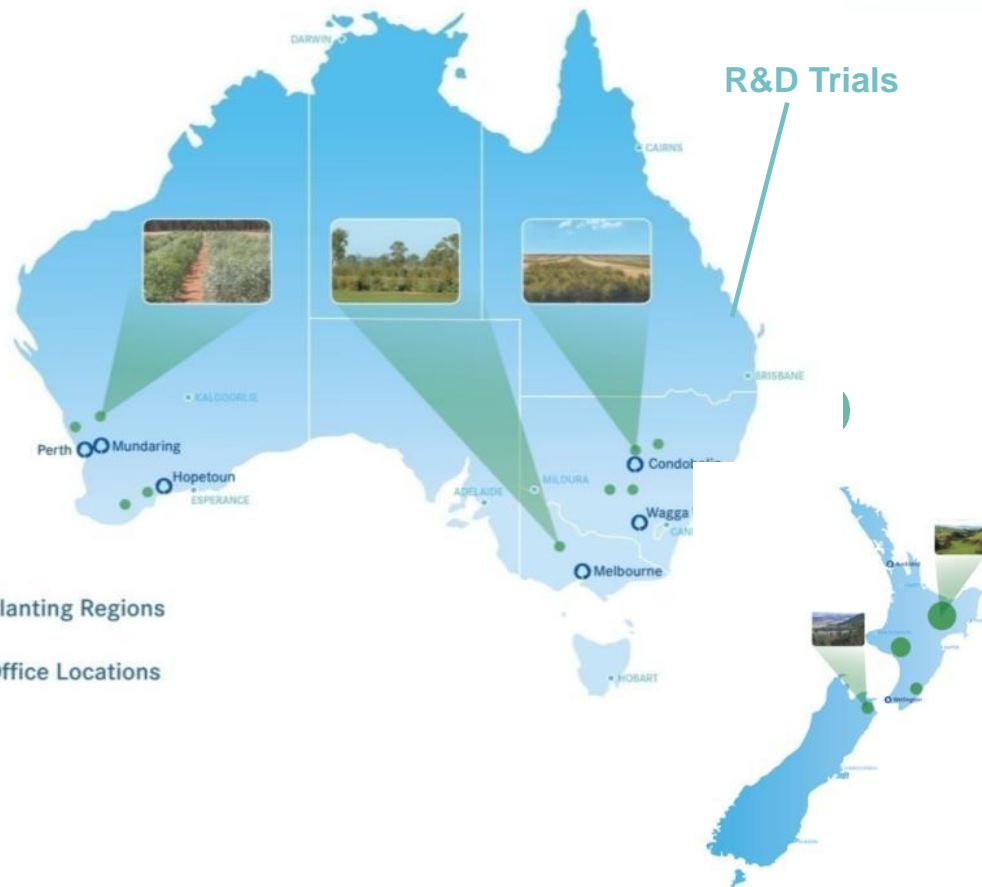
- 26,400 hectares of plantings now under management
- Carbon growth across forest estate exceeding expectations
- Excellent vigour and health across forest estate

Carbon Farming Initiative

- First private sector company to get approval for methodology
- Expect to be producing first batch of Australian Carbon Credit Units by June 2013
- Holder of Australian Financial Services Licence

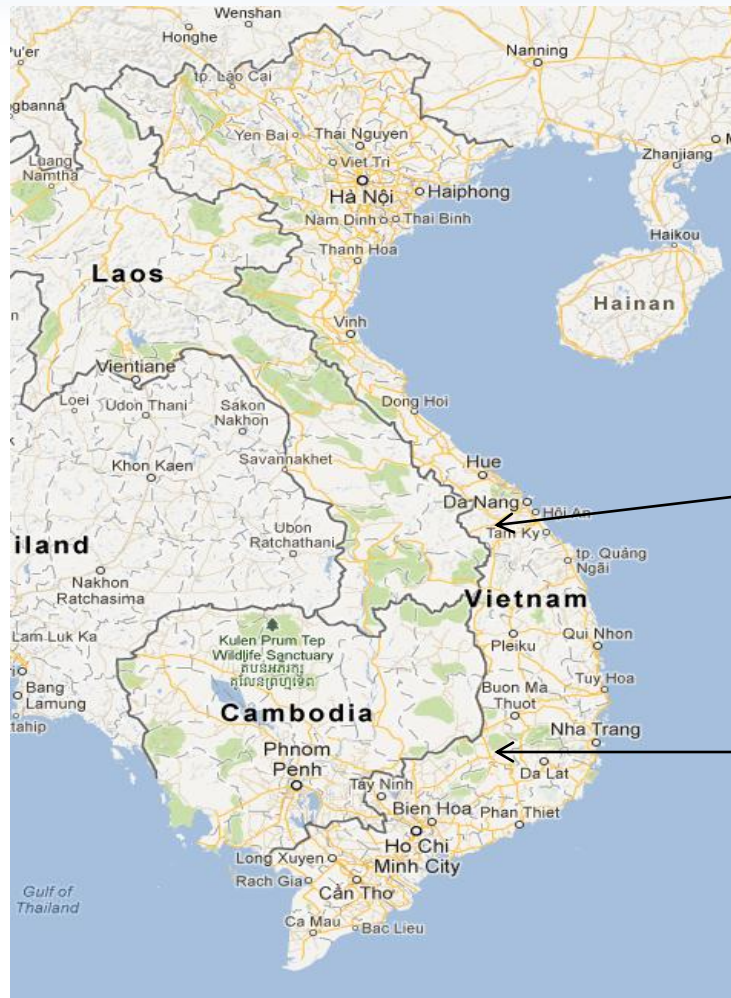
CO2 is now Australia's leading diversified environmental services group

Continued Expansion of our Carbon Estates



CO2 manages 26,400 hectares of dedicated carbon plantings in Australia

CO2 Asia: CDM Projects



Song Bung 4
156 MW Hydro Electric
Project

Dong Nai 4
340 MW Hydro Electric
Project



Creating a better climate

A Strong Outlook

- Positioned to capitalise on Direct Action program if there is a change in the Federal Government
- Experiencing significant growth in our trading business
- Implementing first major planting contract in NZ
- Making strong progress in our CDM project portfolio in Asia
- Increased demand for our advisory services
- Looking to capitalise the demand for our Australian Carbon Credit Units to service carbon liabilities

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Project Sea Dragon

Robert Bell, Managing Director

Dallas Donovan, Director Aquaculture Operations

www.waresources.com.au



Today's Topics

- The Opportunity
 - Why aquaculture will be the third largest global protein producer by 2020
- The Project
 - Themes & differentiators
 - Production System (Dallas Donovan)
 - Target Markets & Sales (Dallas Donovan)
- Project Delivery
 - Our People
 - Site Selection
 - R&D
 - Financials & Schedule
- Contact Details

Note: A more detailed version of this presentation is available at www.waresources.com.au

Compelling international food security drivers

“More food will have to be produced over the next decades than has been produced during the past 10,000 years combined...” (FAO 2011)

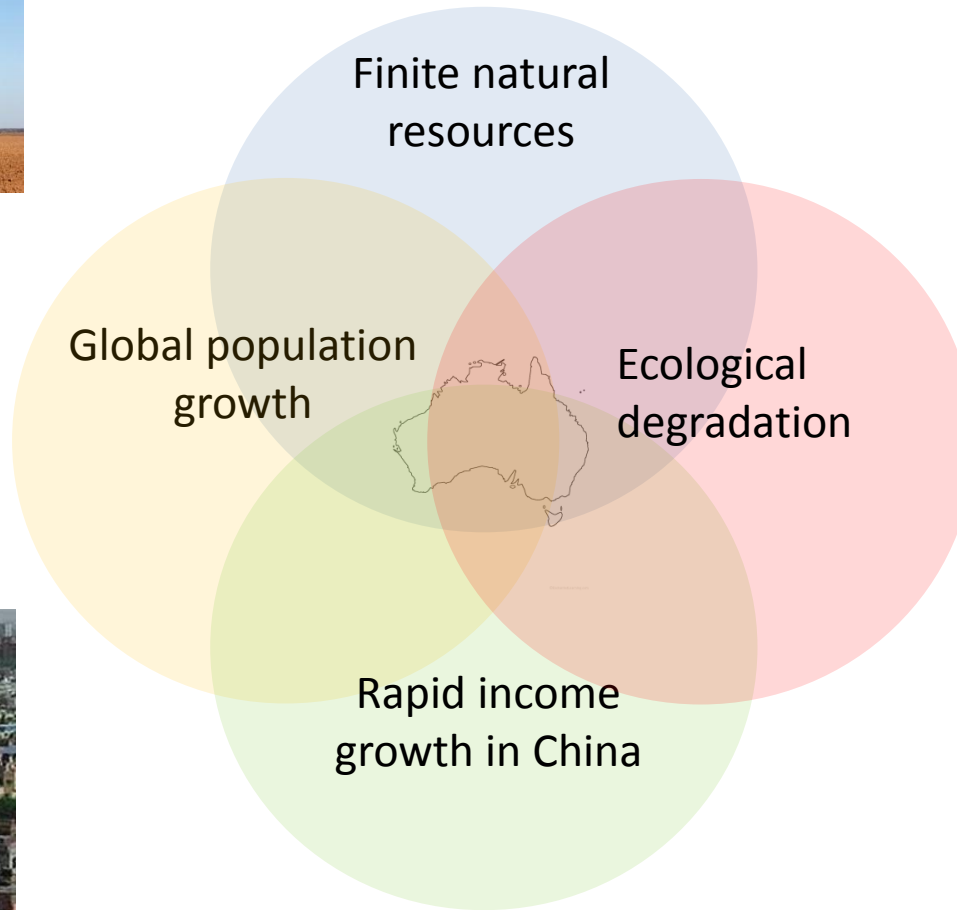
The challenges of feeding the world in 2050...

- Increasing wealth will add to challenge
- More people earning more
- Increasing urbanisation
- More protein in diets

“Seafood is the only protein Western consumers wish they ate more of...” (Martin Glenn – Birds Eye Igloo Group)



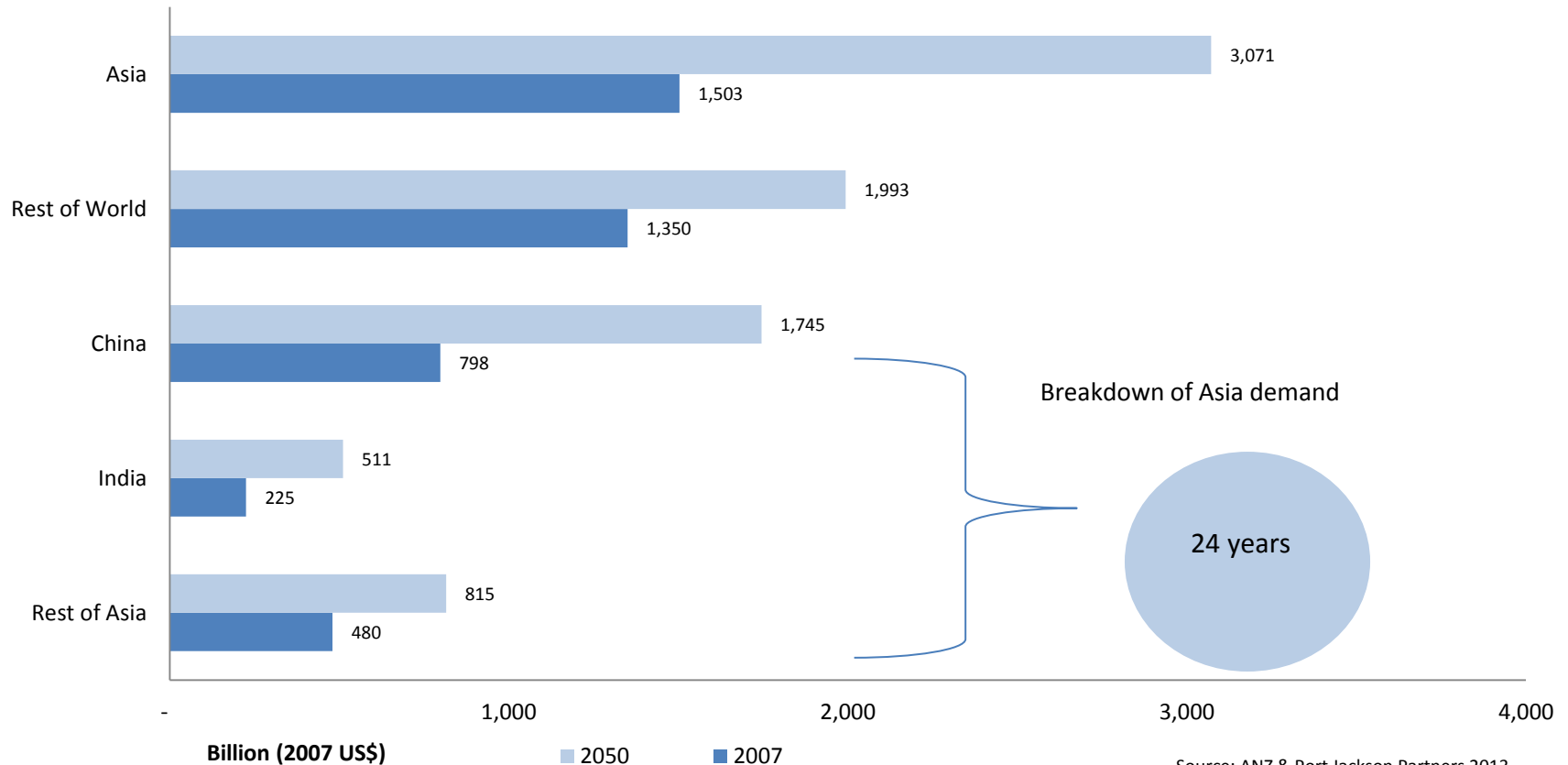
Australia sits at the junction of emerging global megatrends



Demand for food in Asia will be the key driver

... expected to double by 2050 - accounting for 70% of the global increase

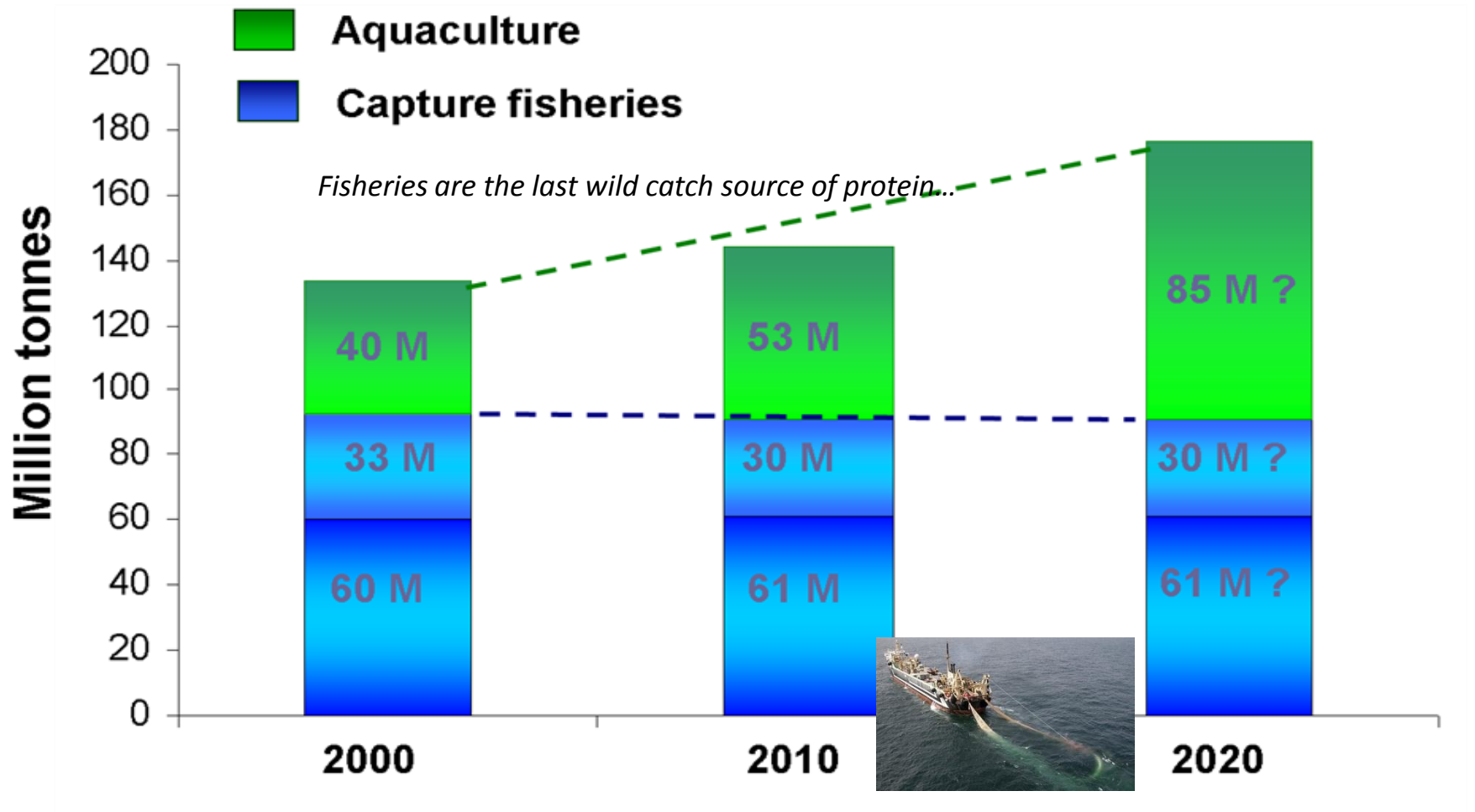
World agrifood demand by region



Source: ANZ & Port Jackson Partners 2013

Key features and drivers of the seafood industry

Global Total Seafood Production 2000 – 2010 (& projected to 2020)

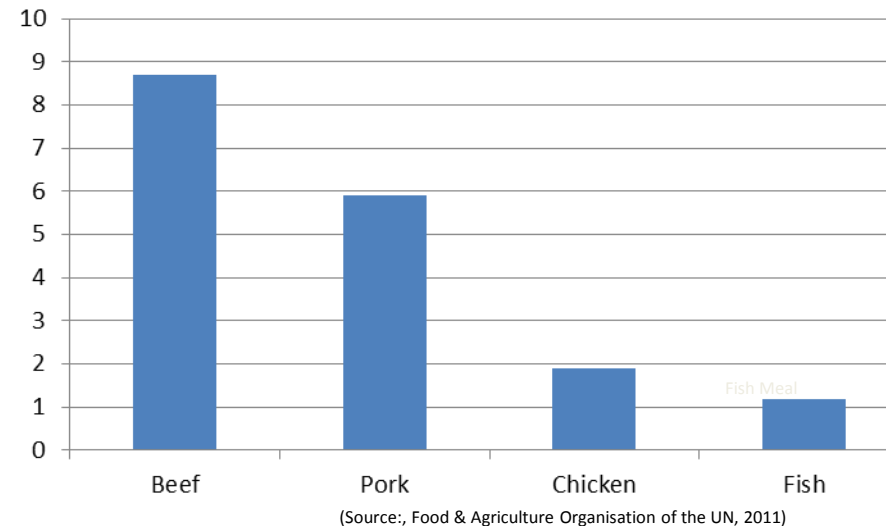


Aquaculture – filling the gap between wild catch and increasing demand

- Aquaculture
 - produces 68Mtpa of finfish*
 - provides 47% of the 16.7 kg per capita fish consumption
- Needs to produce ~4% (or about 2M tonnes) more marine protein per year
- ...50 % of the seafood industry will be responsible for 100% of future growth in demand.

Feed Conversion Ratios* (FCR) of Major Animal Protein Sources

*kilograms of feed to produce a kilogram of protein)



Fish (and marine invertebrates) have the highest Feed Conversion Ratio (FCR) i.e. produce more available kilograms of protein per kilograms of feed...

* Includes freshwater fish

The changing landscape of protein production

Aquaculture –

- fastest growing protein sector for last 30 years
- by 2020 > 80 Mmtpa

Third largest protein industry behind poultry & pork...

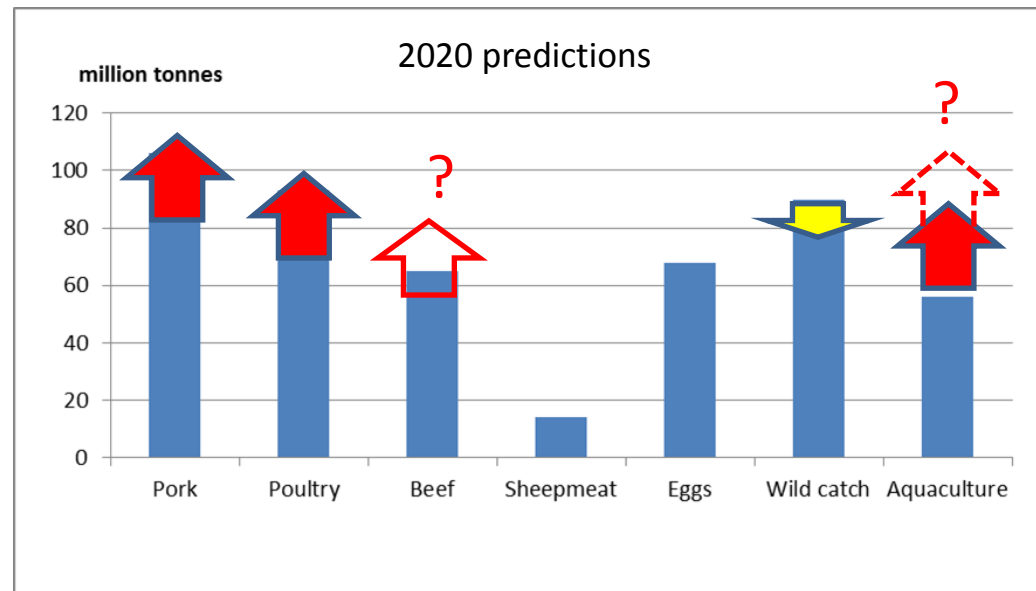
- But, well ahead of beef...

By 2050 aquacultured 'white fish' will equal chicken

- then surpass it...

Chinese aquaculture production already equals poultry...

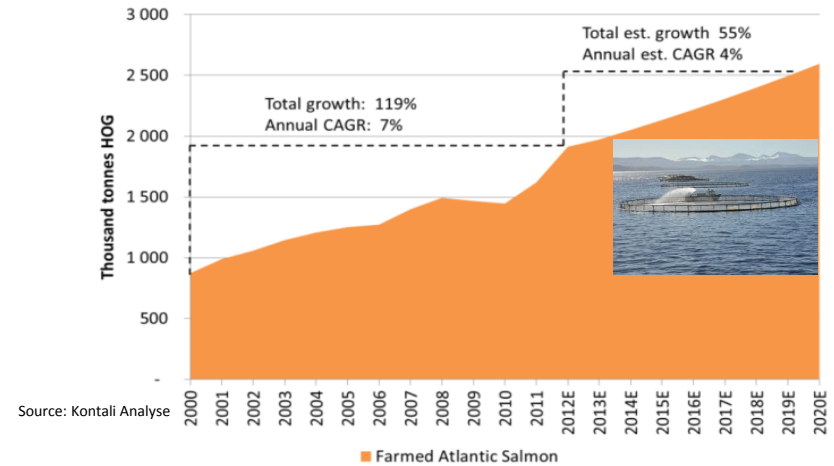
(Source: FAO 2011)



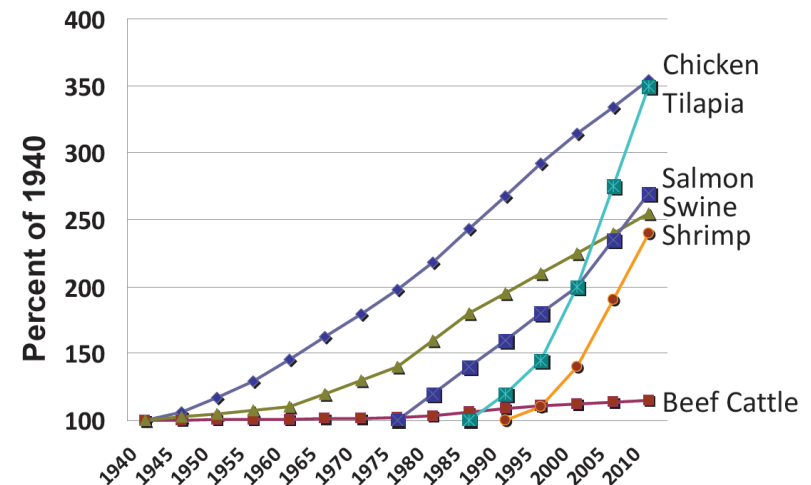
Aquaculture is a diverse and emerging industry

- Rapid expansion...
 - but a young industry
- High rate of technological advances...

World Production and Market of Farmed Atlantic Salmon



Relative Genetic Gain in Growth Rates



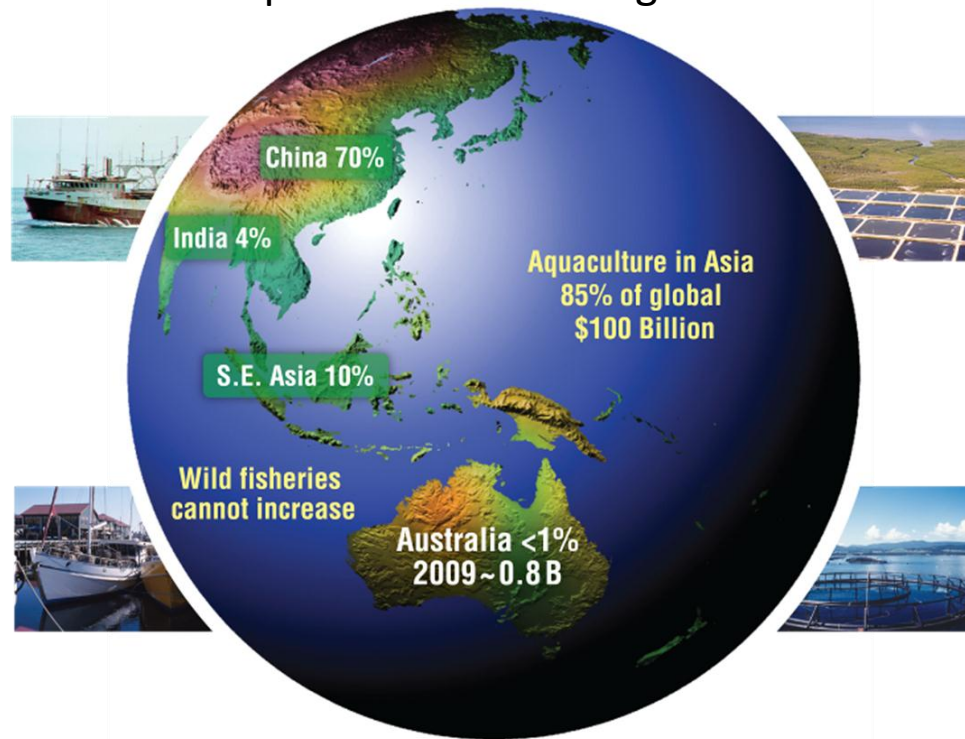
Source: Chamberlain

Property of Western Australian Resources Limited

Current status of regional and Australian aquaculture trends

- Very small by Asian standards
- Growth in Australia (4%)
 - Australian pond aquaculture for prawns and barramundi very small
- ...but huge potential...
- Development mainly restricted to Qld
 - subject to very stringent development & discharge conditions
 - GBRMPA; Qld EPA

Aquaculture in the region...



Rapid, unregulated expansion in Asia - an opportunity for Australia

- Growing concern over levels of contaminants in Asian cultured seafood products...
- But Australian aquaculture production systems must be able to:
 - Deliver high-quality, consistent volumes of produce
 - Operate with minimal environmental impact
 - Use sustainable input feed raw materials
- Future of aquaculture systems lies in...
 - Larger sea sites further from shore
 - Larger, more-sophisticated land-based production



Alarm at antibiotics in fish imports

AUSTRALIAN medical experts have raised the alarm over a rising number of Asian fish imports containing banned antibiotics



Seafood News Food Safety & Health
ABC News: Shrimp farms 'promote disease'

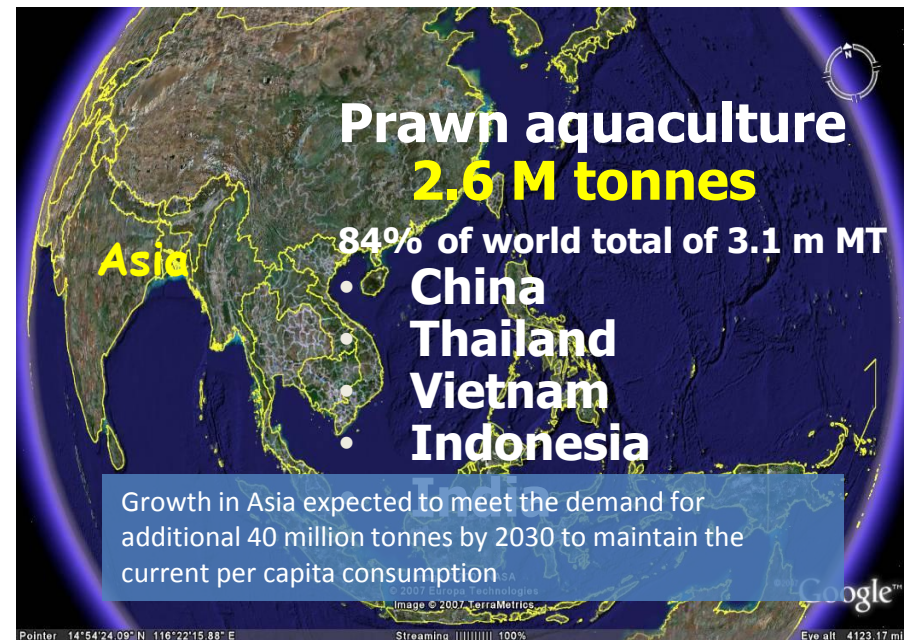
Why prawns (shrimp)?

Global shrimp production

- 7M t total
- largest internationally traded seafood commodity (in value)
- sells at a price premium
 - More expensive than most other animal protein

One of the most advanced aquaculture sectors...

- farmed shrimp constitutes 15% of value of all internationally traded fishery products

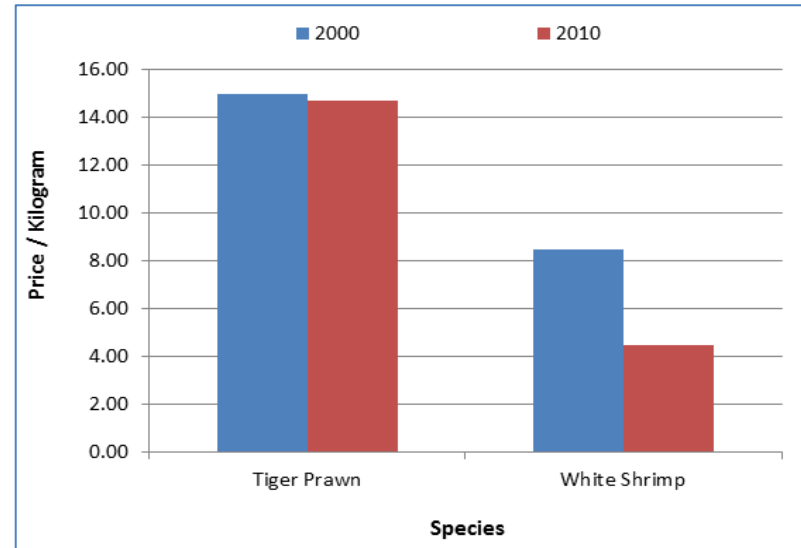


- Australian total prawn production
 - ~26,000 tonnes pa
 - 1/1000th of China's aquacultured prawn production

Black tigers prawns are a high value product

- *Penaeus monodon*
 - High value (prized eating) globally...
- Highly successful cultured species
- ...the 'Big Australian' shrimp
 - Genetic research programs (CSIRO)
 - Feed optimisation programs (CSIRO)

Price per kilogram for i) Tiger prawn sold in Australia and ii) White shrimp sold globally for the years 2000 and 2010



Our Vision, Strategic Objectives & Mission



Vision

Develop a new, transformational agri-food enterprise in Australia through sustainable development of large-scale aquatic protein systems

Strategic Objectives

- Industrialise Australia's currently artisanal aquaculture operating models
- Leverage our biogeographic, production systems and market strategic advantages + application of capital
- Achieve scaled-up, efficient production systems which deliver reliable, long-term supplies of sustainable, high volume/quality seafood

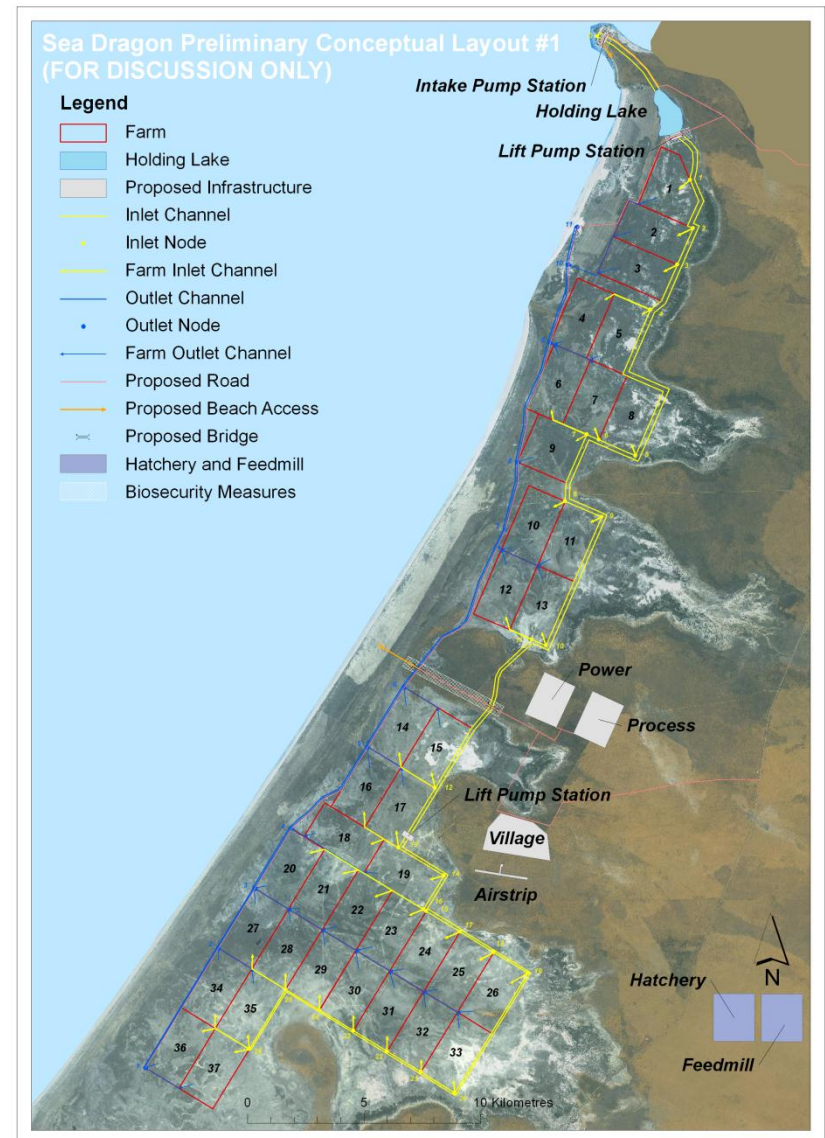
Mission

Develop Project Sea Dragon...
...an integrated land-based aquatic production system producing 100,000 metric tonnes of prawns (shrimp) for export markets

Other project opportunities...
Replicate Sea Dragon in other locations...

Project Sea Dragon is a world class development

- Project Sea Dragon – a stand-alone prawn (shrimp) production unit (farm)
 - 10,000 – 15,000 ha in northern Australia
 - Staged development
 - Major infrastructure components
 - First stage of the vision...
- Forecast financial returns from the Project are robust...
 - Forecast IRR >40%



A large-scale, 'industrialised' land-based, aquatic protein production system

- Scale
- Industrialisation
- Advanced animal production systems approach...
- Leveraging Australian advantages
 - 'world's best practice' industries
 - Australia's natural advantages
 - Infrastructure
 - Technical skills & labour
 - Economic/political stability
 - Access to raw materials (feeds)
 - Biosecurity



Scale & industrialisation

- **reduce costs of production and increase reliability of supply**
 - **Long-term offtake agreements**
 - **Volume discounts for inputs**

This is Australia's current protein production model...



...and this is WARL's vision for a new Australian protein production model...



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Infrastructure & Operations Overview

Dallas Donovan
Director Aquaculture Operations

Personal Introduction

- 16 Years in Aquaculture
- Aquaculture management experience in:
 - Breeding Programs,
 - Hatchery Operations
 - Production
 - Harvesting & Processing
 - Global Sales & Marketing
- Experience in species including:
 - Prawns
 - Black Tigers, Kuruma & Banana
 - Barramundi
 - Amberjack
 - Sea Cucumbers

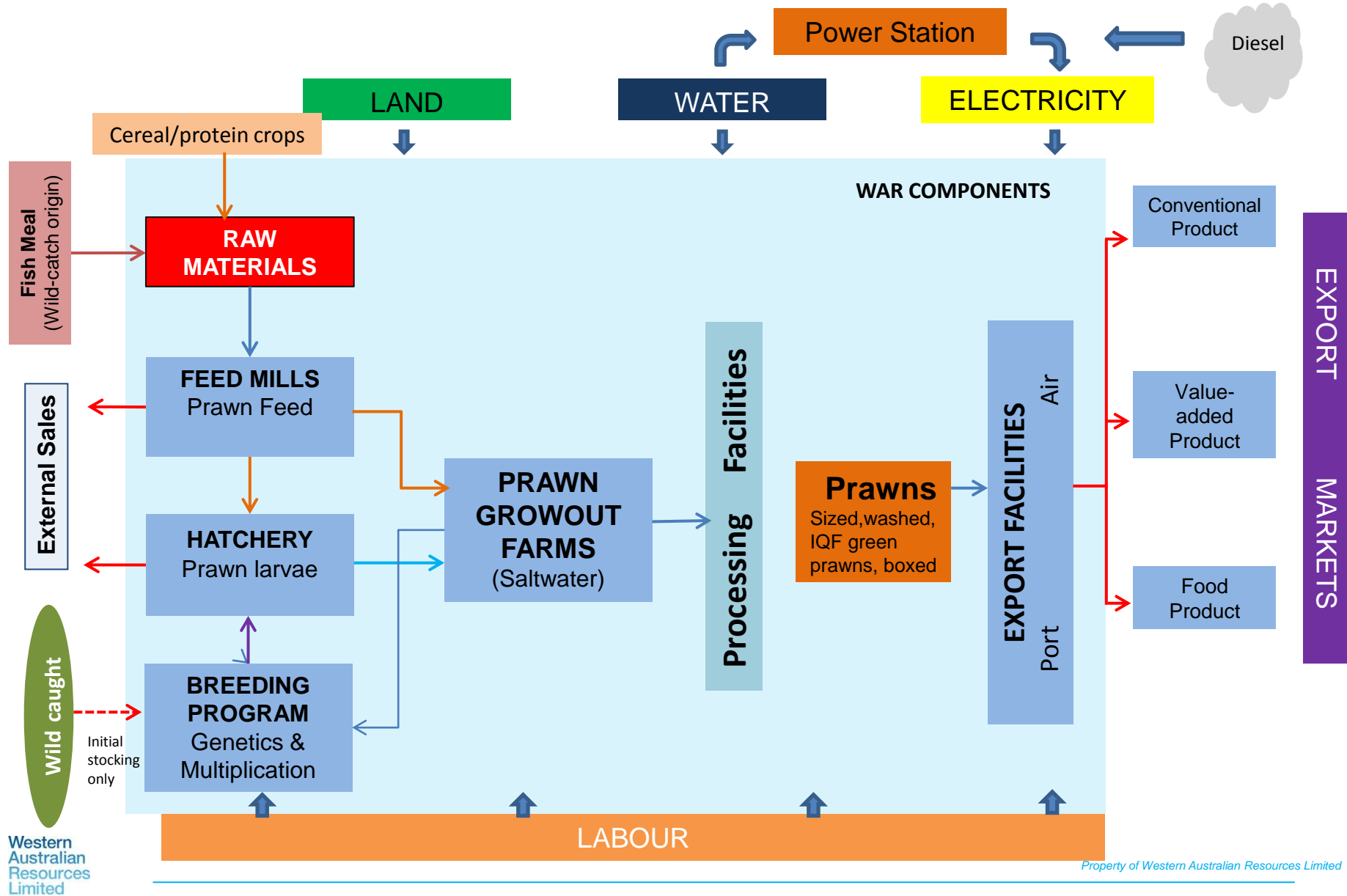


National Prawn Company – Saudi Arabia

- One of the worlds largest fully integrated prawn farming companies
 - 4,300 ha of prawn ponds
 - 15,000 tonnes pa production
 - 100 million Juveniles per week hatchery
 - 50,000 tonnes pa feed mill
 - 150 tonnes per day processing plant



Operations – production system infrastructure components...



Breeding Program

- Specific biosecure site
- Primary site & mirror site
- Clear breeding objectives
- Marker assisted selection
- Indoor and biosecure
- Focus on meeting objectives
- Drive alignment between GO and BP



Multiplication Centre

- Dedicated facility
- Produces broodstock for supply to commercial hatchery
- Post Larvae (PL's) supplied from Breeding Program
- Fully biosecure
- Mirror sites required
- Size selection before sending to hatchery (top 20%)
- Best to be indoors
- Infrastructure to be designed and located to get best spawner performance



Hatchery Operations

- Biosecurity key
- Physically isolated location
- Strict biosecurity protocols for the facilities
- Designed and operated to get best survival and PL quality
- Strict quality assurance protocols for PL acceptance



Shrimp Production

- Technology used to reduce costs, adaptation from salmon farming
 - Automated feeding
 - Automated water monitoring
 - Centralised data control
- Growth & Stocking Strategies chosen to provide optimal margin per ha per day
- Maintaining dissolved oxygen concentration (DOC) to plan is critical to optimise profitability
- Applied science to improve FCR, Growth Rates and Harvest Accuracy

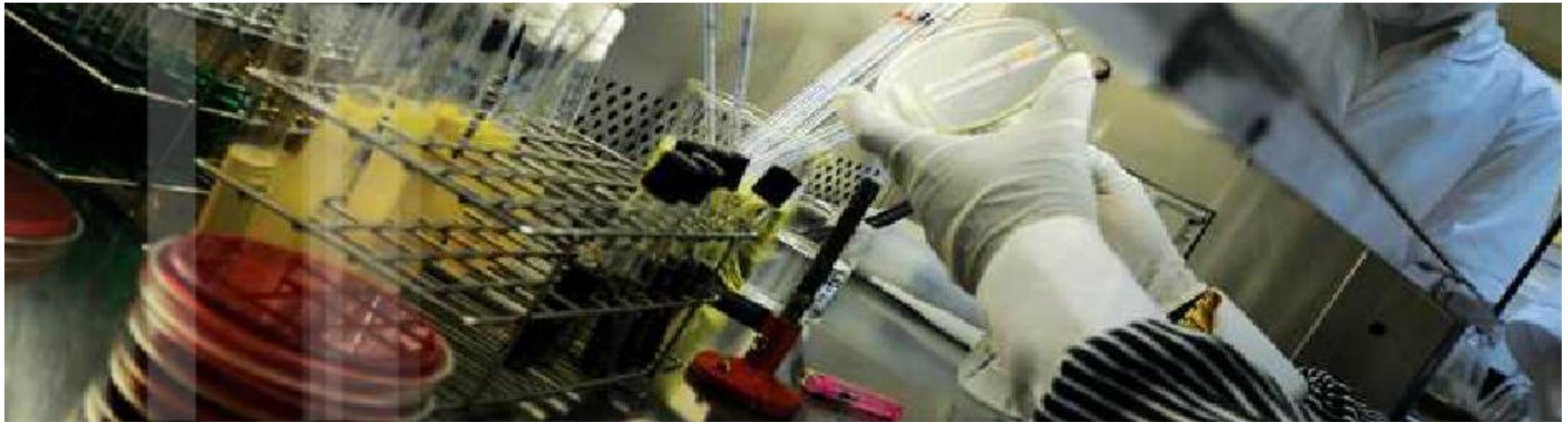
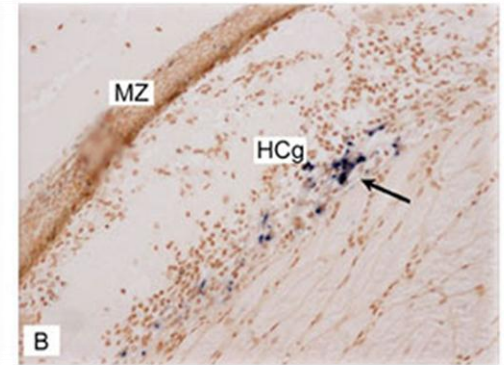
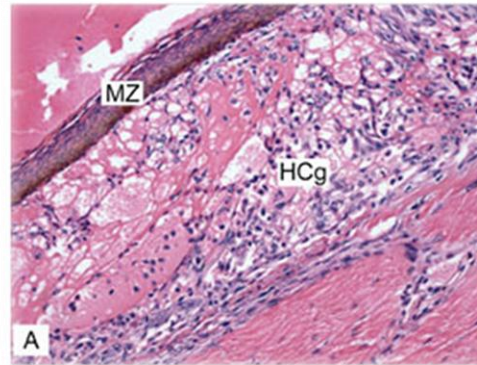


- Australia has an enviable reputation for biosecurity
 - Free of shrimp pathogens of significant economic consequence
 - WSSV, IHHNV, TSV, EMS
- Design biosecurity into the project from concept
 - Recirculation and limited water intake
 - Filtration and water treatment systems
 - Buffer zones
 - Physical isolation
- World leading technology and science
 - Diagnostics & Surveillance



Shrimp Health & Diagnostics

- Biosecurity planning
- Disease surveillance
- Health training
- Diagnostic laboratory & services



Feed Mill

- Feed is a significant variable cost
- Contribute to low cost producer status through improved Feed Conversion Ratio (FCR) and low operating costs
- Nutritionist to optimise costs
- Most feeds to be delivered in bulk to the farm



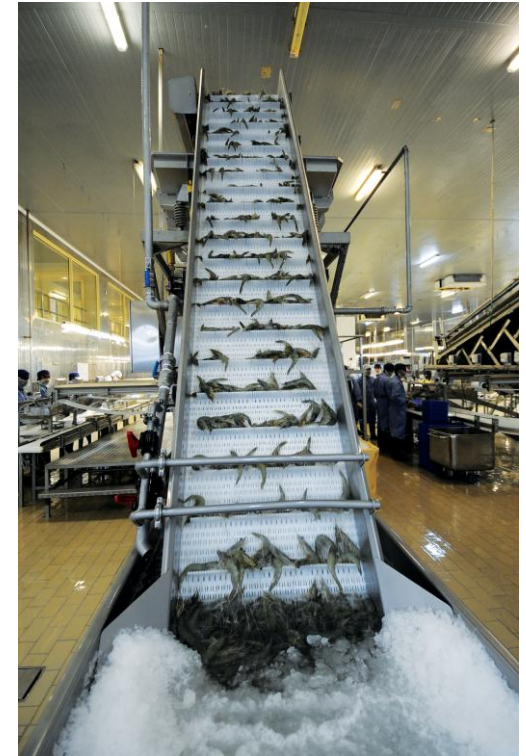
Harvest

- Shrimp harvested directly into slurry Ice
- Semi automated system
- Core temperature is maintained below 4oC
- 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 & product outputs
- Soft shell and loose shell rejects – Individual Quick Frozen (IQF) for reprocessing offshore



How we will operate it... & 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...

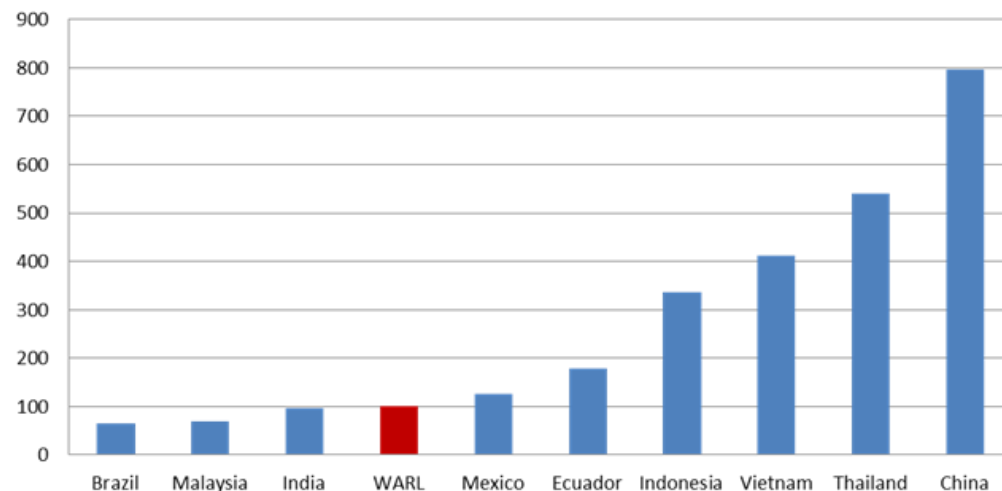
- Size matters
- Good people matter
- Focus on biosecurity from site selection and the design phase
- Optimise size and volume balance
- Technology is available to minimise costs

Where do we fit in the market...?

Where do we fit on production volume scale..?

- Top 10 global producer
 - Top 7 nationally...

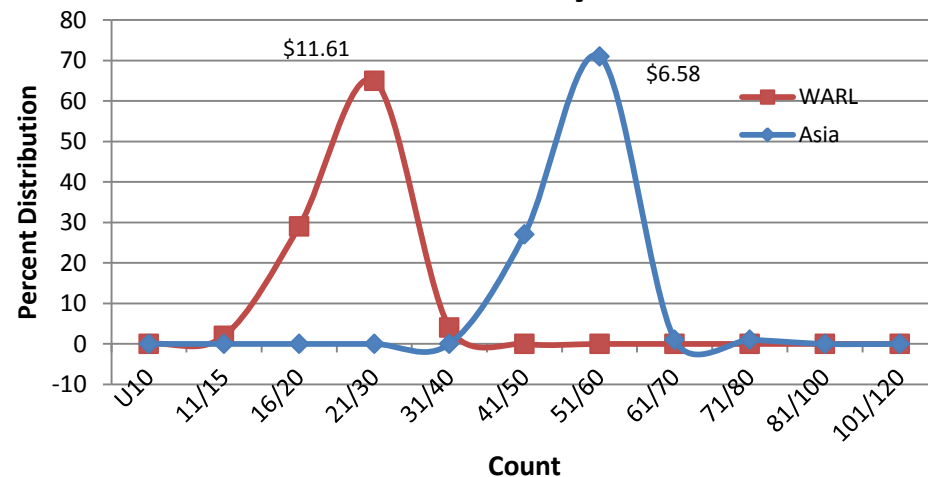
WARL & Global Production



Where do we fit on price curve...?

- Producing larger size/count product
 - Command higher price
 - + US\$4-5/kg

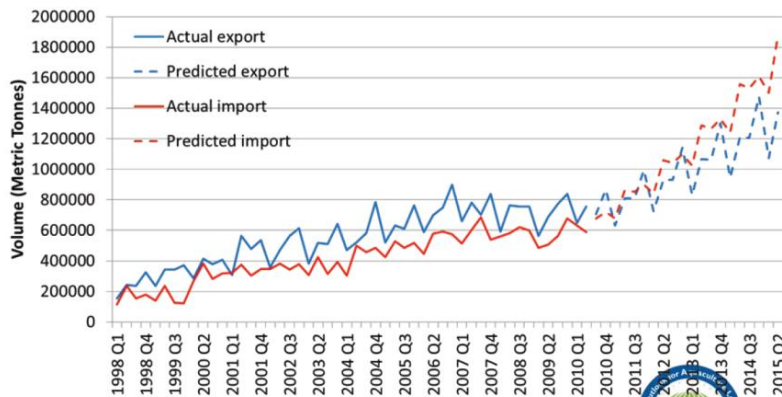
Count Distribution by Mean Size



Sales & Marketing

- Focus on export markets
- China's growing middle class
- Off-take agreements
- Standardised product
 - 3 core brands
 - Private labels

Model forecast: China should become net seafood importer from 2011

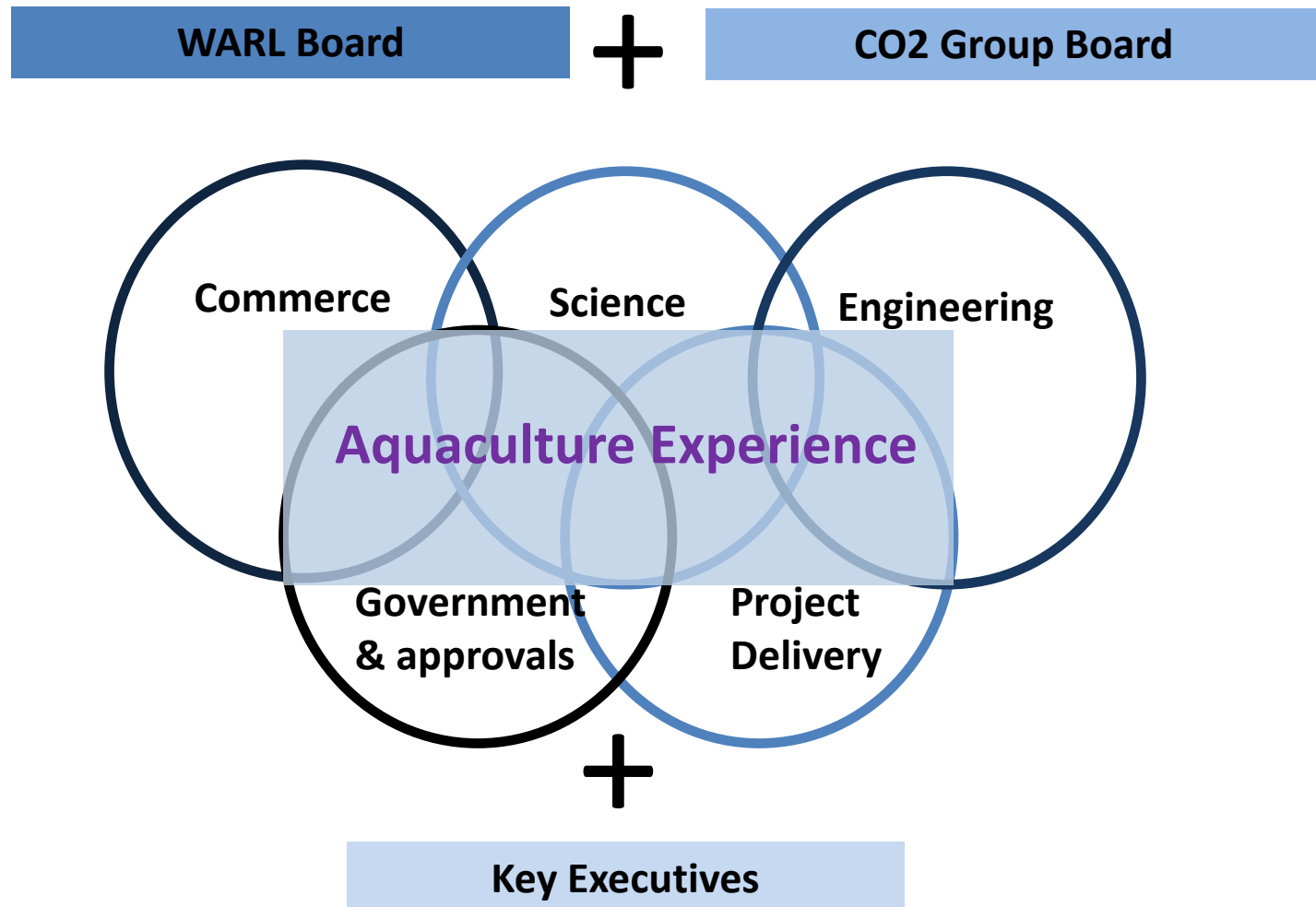


Target Market	Tonnes	%
China	40,000	40.0%
Japan	12,000	12.0%
USA	10,000	10.0%
Hong Kong	5,000	5.0%
Korea	5,000	5.0%
Thailand/Vietnam (RP)	5,000	5.0%
Spain	5,000	5.0%
France	3,500	3.5%
Portugal	3,500	3.5%
MENA	3,000	3.0%
Singapore	2,000	2.0%
UK	1,500	1.5%
Russia	1,200	1.2%
Australia	1,000	1.0%
Cyprus	500	0.5%
Germany	500	0.5%
Italy	500	0.5%
Nordic	500	0.5%
Others	300	0.3%
	100,000	

Project Delivery

- Our people
- Site selection
- Feasibility
- Engineering Studies
- Schedule
- R&D
- Financials

Our People – Board & Management...



Site selection – Where the best areas for potential sites...?

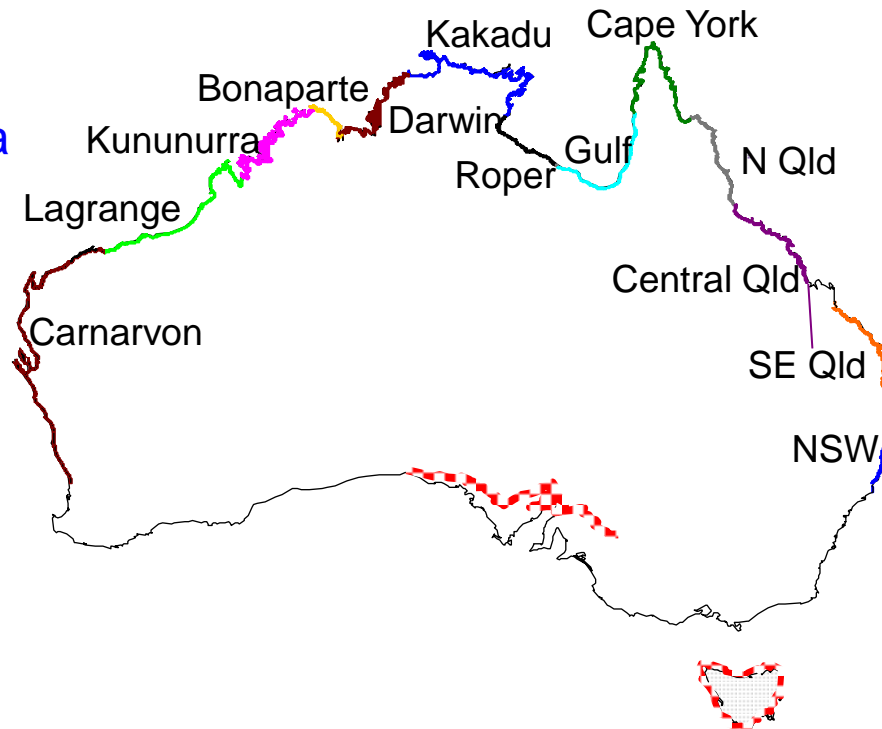
Study area: 13,200,000 ha

Divided into biogeographic regions

NT: 528,000 ha

WA: 516,000 ha

Qld: 594,000 ha

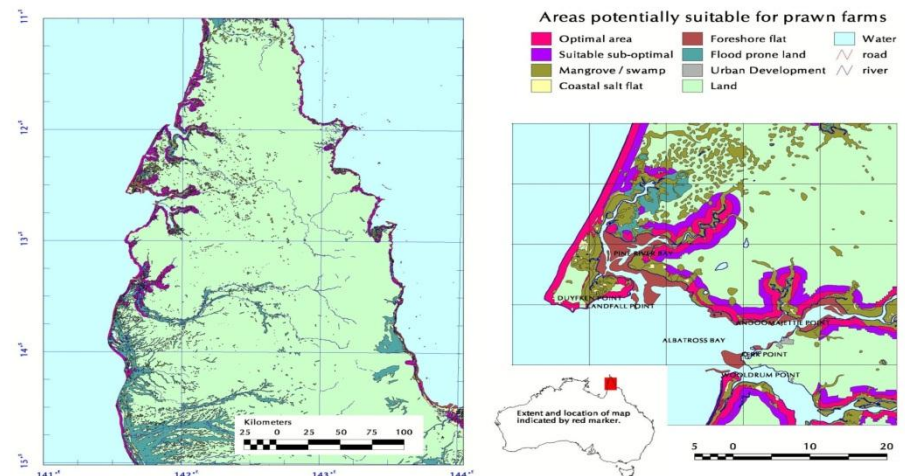
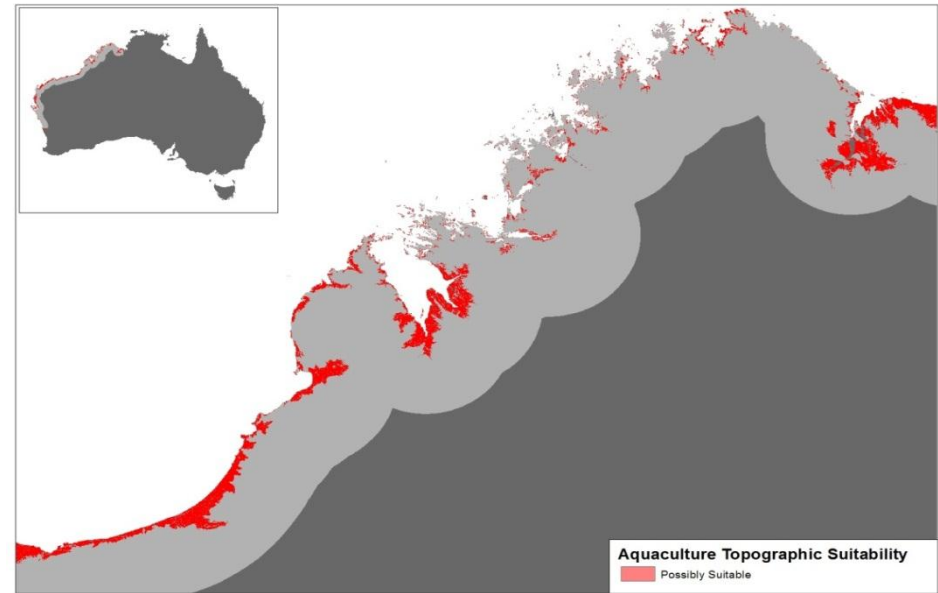


Potentially suitable: 1,700,000 ha

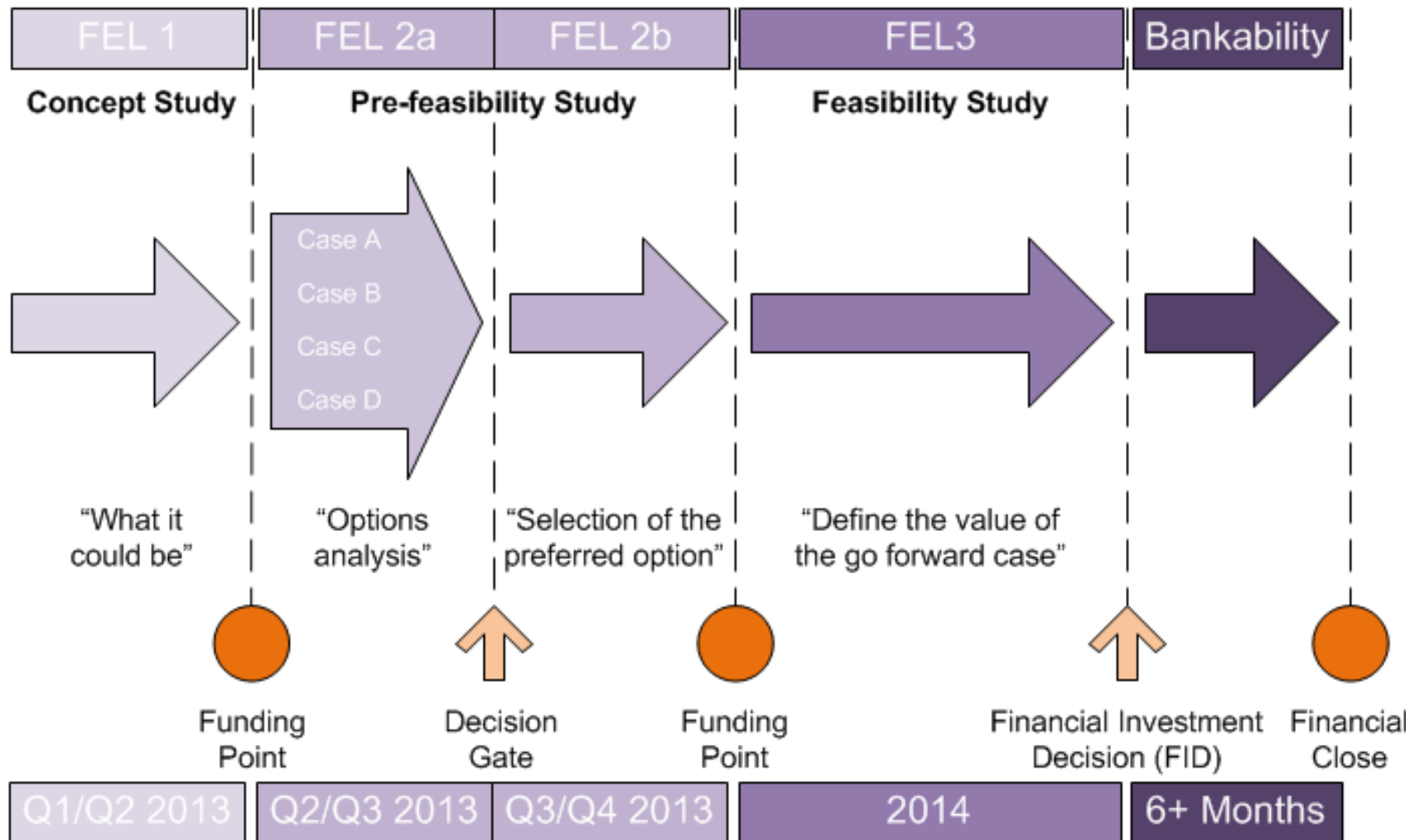
Regional analysis has identified suitable large scale areas...

- Five large scale regions
 - Northern Australia
 - Site (>10,000 ha) pond developments
- WARL is undertaking detailed, analysis of the attributes of the these sites...
- Builds on GIS capabilities and skills within the CO2 Group

Regional assessment of North West Western Australia land suitability



Project Delivery Schedule...front end loading (FEL) stages to Financial Close



Our key stakeholders...

Government

- Discussions with governments are well progressed, positive and encouraging...

Project Partners

- In discussions with several potential project partners...

Consultants & Advisors



CSIRO



HERBERT
SMITH
FREEHILLS



CORR
CHAMBERS
WESTGARTH
lawyers

Key R&D Areas



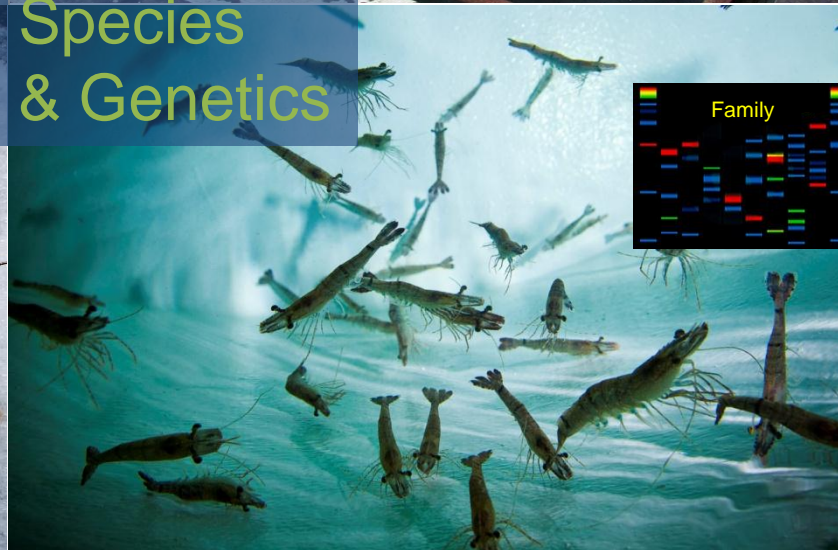
Environment



Health
Species
& Genetics

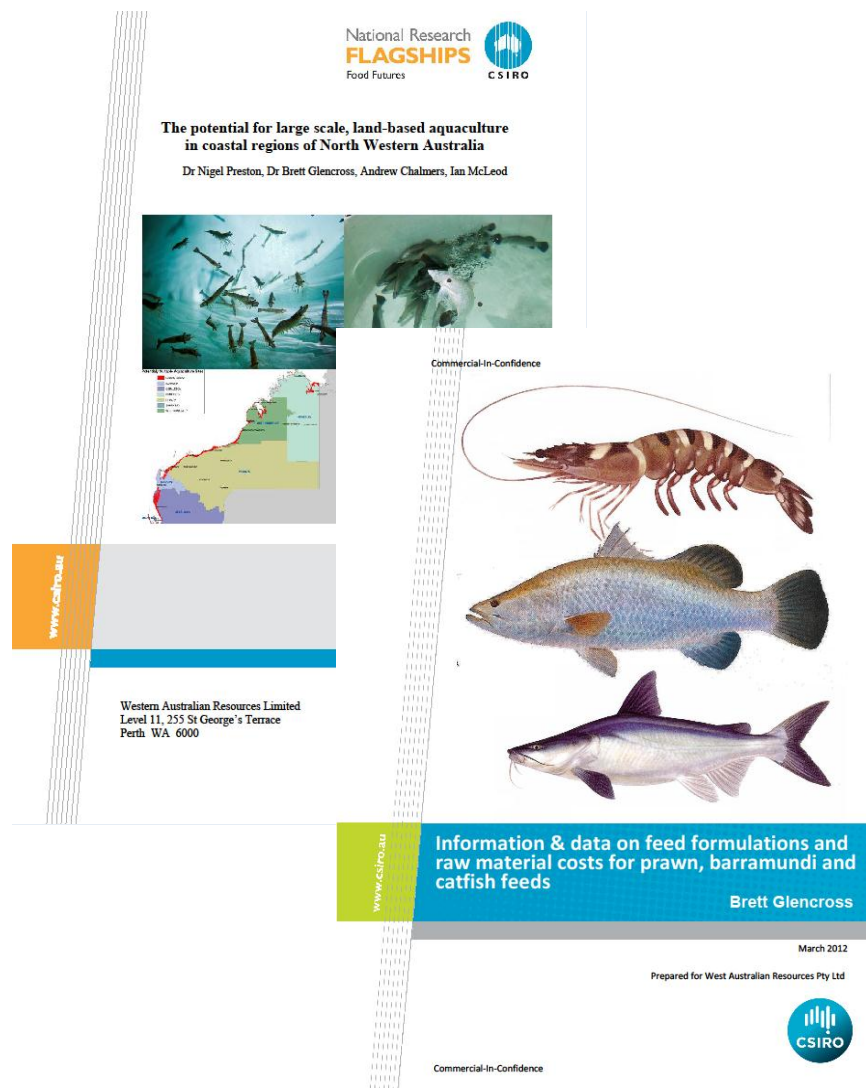


Animal
Nutrition



CSIRO – 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
- CSIRO has undertaken several consultancy projects with WARL
- CSIRO & WARL
 - in discussions on long-term RD&C collaboration in key areas



Project Financial Outline

- WARL spend on feasibility pre merger with CO2 Group
 - >\$1M
- Total expected project expenditure end of FEL 2 (Q4 2013)
 - ~\$6M
- Expected expenditure end of FEL3 (Financial Close)
 - funding is in place
 - completion circa Q4 2014 (= Detailed Feasibility Study)
- Project is be staged
 - Stage 1 expected to be ~3000 ha
 - Expected CAPEX – \$400M
 - Annual revenue at full production – \$400M pa
- Stages 2 and 3...
 - Different equity structures for each stage are possible
 - Can commence on completion and during operation of previous Stage

**Western
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Contact Us

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