

Our Ref: CGL ASX Announce Coral Seafarms (420)

10 September 2014

ANNOUNCEMENT 420

Company Announcements Office
Australian Stock Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

By ASX Online
Number of pages: 3
(including this page)

Dear Sir

Commodities Group purchases Coral Seafarms Aquaculture Business

Commodities Group Limited (**ASX: COZ / "Group"**) is pleased to announce that its wholly owned Seafarms Group Limited (through a subsidiary) (**Seafarms**) has today executed agreements to acquire the prawn farming business and business assets of Queensland aquaculture company Coral Sea Farms Australia Pty Ltd and certain of its subsidiaries (**Coral Sea Farms**).

This acquisition is part of the consolidation strategy previously announced and will provide the following benefits to the Group:

- Increases annual production capacity by approximately 25%, allowing Seafarm to represent in excess of 30% of Australian production;
- Current hatchery expansion in progress will supply the new operations;
- Existing management and staff capable of running new operation;
- Assists in supplying our expanding export market.

Total cost of acquisition of \$4.2 million is to be funded by a combination of cash and debt. The consideration comprises \$400,000 payable on Completion and quarterly instalments over the next three years totalling \$3.8 million.

Seafarms Managing Director, Mr Robert Bell, commenting on the acquisition of the Coral Sea Farms business which has been in operation since 2002, said that "the purchase of this farm which is located just thirty minutes drive from our existing operations at Cardwell provides Seafarms with immediate additional production growth of approximately 25% per annum within a logistically connected three farm hatchery and processing plant 'hub' allowing for considerable consolidation of resources and economies of scale in the production of high-quality farmed prawns".

Director of Aquaculture Operations for Seafarms, Mr Dallas Donovan, who is responsible for operating and integrating the new assets into Seafarms' existing operations, added "we are very pleased to bring this high-quality farm into our Seafarms hub. We will be stocking the ponds later this year with Black Tiger Prawn larvae produced from our expanded hatchery".

The production increase provided by the Coral Sea Farms business will enhance our growing export markets for Sashimi grade product.

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

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).

The acquisition will increase Seafarms production capacity by approximately 25% and will see the Group's total production represent more than 30% of Australia's farmed prawn production.

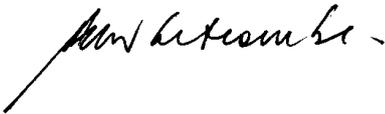
Mr Bell also commented that "the acquisition is another important step along the pathway outlined by the Group at its AGM in February of its plans to: develop a major prawn production platform in Queensland; leverage this platform into a world-class greenfield development in northern Australia via the company's Project Sea Dragon and to look for other strategic opportunities to grow and make the business more efficient. It is also important to highlight that the Seafarms hub of aquaculture assets situated in the Ingham-Cardwell region will also be the industry research laboratories for the James Cook University led *Black Tiger Prawn Genome Project*, one of only six Industrial Transformation Research Hubs recently funded by the Australian Research Council (ARC) which will bolster the overall region's aquaculture industries and help re-establish Australia as an innovation centre for aquaculture".

The Coral Sea Farms business includes approximately 32 hectares of ponds, a processing facility situated in Hinchinbrook and related plant and equipment. The acquisition is conditional on obtaining the normal and usual regulatory approval for the transfer or grant of various licences, authorisations and crown leases and certain other conditions.

More information will be provided on the Seafarm business plans and Project Sea Dragon in coming months.

For further information on the contract, please call Rob Bell on (08) 9321 4117 or visit Seafarms web site www.seafarms.com.au.

Yours faithfully



Harley Whitcombe
Company Secretary

About Commodities Group

Commodities Group Limited (ASX: COZ) is an ASX listed holding company with two separate subsidiary companies operating in non-conventional commodities: aquaculture and carbon. Seafarms Group Limited operates aquaculture operations and CO2 Australia Limited the carbon and environmental operations.

For further information refer the company's web site: www.commoditiesgroup.com.au

About Seafarms Group Limited

Seafarms – a new Australian agri-food company – operates, builds and invests in sustainable aquaculture production platforms producing high-quality seafood. Seafarms is currently the largest producer of farmed prawns – growing, processing and distributing the well-known Crystal Bay Prawns™ premium brand. The company is one of Australia's largest aquaculture enterprises and is also developing Project Sea Dragon – a large-scale, integrated, land-based prawn aquaculture project in northern Australia designed to produce high-quality, year-round reliable volumes for export markets.

For further information refer the company's web site: www.seafarms.com.au



About CO2 Australia Limited

CO2 Australia has built a strong environmental business providing advisory and environmental management services to the mining and development sectors in Queensland and Western Australia and manages an estate of more than 26,400 hectares of planted forests and protected remnant native vegetation across Australia. CO2 Australia is the largest provider of dedicated carbon sink plantings in Australasia. It transacts across a spectrum of environmental instruments. The company currently manages landmark commercial contracts for Qantas Airways, Macquarie Bank, Woodside Energy, INPEX Browse, Origin Energy, Newmont Mining and Wannon Water.

For further information refer the company's web site: www.co2australia.com.au

