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ANNOUNCEMENT 412

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SYDNEY NSW 2000

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Dear Sir

Seafarms in transformational prawn farming R&D funding program

Commodities Group Limited's wholly-owned subsidiary Seafarms Group Limited (Seafarms), Australia's largest prawn farming operator, is pleased to announce that it is the industry participant in a research consortium recently awarded a prestigious Australian Research Council, *Industrial Transformation Research Hub* (ARC ITRH) funding grant.

The research to be undertaken will for the first time link the genetics of the Black Tiger prawn (*Penaeus monodon)* to the selection of superior breeds of Tiger prawn to transform the productivity of Australian prawn farming operations.

The project's Chief Investigator, Professor Dean Jerry, Head of Aquaculture and Deputy Director of the Centre for Sustainable Tropical Fisheries and Aquaculture at James Cook University's School of Marine and Tropical Biology said, "Unleashing the Tiger will develop and implement advanced genetic animal breeding technologies to produce prawns that grow faster, are tolerant to disease and that are more attractive to buyers"

"Having Seafarms as our industry partner is a great outcome for us, as to acquire the fundamental background knowledge to allow implementation of advanced breeding programs for the black tiger prawn required an industry collaborator with both long-term vision and scale. "

"Australian black tiger prawn aquaculture is at a critical juncture in the industry's development and Seafarms will provide laboratory and on-farm R&D opportunities to help the breeding work. In addition, Seafarms' plans for a major new prawn farm development in northern Australia will enable the critical mass where an efficient industrial-scale selective breeding program can be supported and help the entire industry to achieve a globally strategic edge."

The program *Unleashing the tiger - advanced breeding to transform prawn aquaculture* was secured by James Cook University (JCU) and involves participants from the University of Sydney, CSIRO, (Australian Genome Research Facility (AGRF), and Vlaams Instituut voor Biotechnologie (Ghent, Belgium). It will receive nearly $5M over a 5 year program.

It is the first time world-leading experts in aquaculture genetics, genomics, prawn husbandry and diseases, and terrestrial animal breeders, along with Australia's biggest genome sequence provider, the AGRF have come together to identify prawns with elite characteristics using information within the prawn genome. This will revolutionise the farming of Australia's most economically important prawn species.

Managing Director of Seafarms Robert Bell said, "The *Unleashing the Tiger* project in association with our plans to develop the world's largest prawn farm, will provide the opportunity to dramatically transform the aquaculture landscape and significantly contribute to Australia's food security and export earnings."

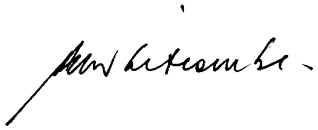
On-farm research trials will be conducted at Seafarms' operations sites in Cardwell and Flying Fish Point, Innisfail in North Queensland.

Dallas Donovan, Seafarms' Director of Aquaculture who overseas these operations said "The R&D work will see post-doctoral scientists and PhD students working with staff at our sites; providing real on-farm facilities to expedite the research and provide immediate feedback on the fruits of their research."

Seafarms participation in the ITRH will see it provide cash and in-kind contributions to the program along with the funds from the ARC. Seafarms, JCU and the other participants will have rights to commercialise intellectual property developed within the ITRH.

Successful commercialisation of outputs of the R&D could have tremendous flow-on effects for the industry's expansion in northern Australia.

Yours faithfully
Commodities Group Limited



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About Commodities Group
(formerly CO2 Group Limited)

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
(formerly Western Australia Resources 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