

Our Ref: CGL ASX Announce Legune AOA (429)

16 February 2015

ANNOUNCEMENT 429

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

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Dear Sir

**Commodities Group Signs Agreement for Legune Station
to develop Project Sea Dragon**

Commodities Group Limited (**ASX: COZ / "Group"**) is pleased to advise that its subsidiary, Seafarms Group Limited (**Seafarms**), has signed an Access and Option Agreement (**AOA**) over Legune Station, a 180,000 hectare operating cattle station located in the East Kimberley Region of the Northern Territory for the development of Project Sea Dragon (**PSD**).

The AOA has a term of 3 years and gives Seafarms:

- the right to commence applications for land tenure for aquaculture, environmental approvals and all licences and other approvals required for the development and operation of PSD;
- access to Legune Station for the purpose of carrying out studies, tests and assessments for the licences and approvals and for the completion of a bankable feasibility study (**BFS**) for PSD; and
- an option to purchase Legune Station at a predetermined price at any time during the 3 year term of the AOA.

Project Sea Dragon (**PSD**) is an industry-transformational development of up to 10,000 hectares of fully integrated land-based, black tiger prawn production facilities for national and international wholesale markets. It is anticipated that the total construction cost of PSD will be in the order of \$1.45 billion. PSD will be constructed in stages. Stage 1 will be 1,000 ha of grow out ponds producing year round, in the order of 10,000 tonnes of prawns per annum.

PSD will, at full capacity (10,000 hectares), require a full time workforce of circa 1,600 personnel located in Darwin (NT), Legune Station (NT), Kununurra (WA), Wyndham (WA) and Exmouth (WA).

The Company considers Legune Station to be the optimal site for PSD, as identified in the previously announced Concept Study, where some 5 million hectares of properties were analysed, and confirmed by the Pre-Feasibility Study completed in June 2013.

The signing of the AOA has put Seafarms in a position to immediately begin the process of obtaining regulatory and environmental approvals, completing a bankable feasibility study and arranging funding for PSD. This will include:

- Obtaining a Non Pastoral Use Agreement for Legune Station with the Northern Territory Government;
- The grant of a General Lease from the Northern Territory Government over the area of land required for the Project;
- Completion of an environmental impact study leading to environmental approvals;

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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).

- An Indigenous Land-Use Agreement
- Completion of a bankable feasibility study;
- Obtaining the licences needed to develop and operate PSD;
- Determining the most appropriate funding package;
- Having PSD declared a Project of Territory (NT) and State (WA) significance to streamline the approvals process.

As previously announced Seafarms has already completed the following:

- Concept Study which provided CAPEX cost range, operational earnings range, most suitable locations, technical feasibility, global market demand;
- Pre-Feasibility Study which confirmed robust economics which in turn supported the requirements of owned and operated feed mill, hatchery & breeding centres, processing plant, grow out ponds, Capex and scale up steps to 10,000 hectares;
- Acquisition of prawn brood stock facility;
- Acquisition of the Seafarm operations in North Queensland, which in addition to being commercially successful in their own right, also serve as a “pilot” for PSD providing Seafarms with valuable production, operating and marketing information and experience for input into the concept, pre-feasibility and bankable feasibility studies and ultimately the operation of PSD.

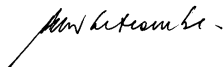
The signing of the AOA also puts the Company in a position to engage with potential financial partners, including those who have previously expressed interest in participating in PSD.

The signing of the AOA represents a critical milestone towards the development of PSD. This, together with a successful Christmas 2014 trading period for its north Queensland prawn operations, sets the Company and Seafarms up for a strong and productive 2015 year.

The Company will be providing a comprehensive update on PSD and its current operations at its Annual General Meeting in Melbourne on 26 February 2015.

For further information on the contract, please call Rob Bell on (08) 9321 4117.

Yours faithfully



Harley Whitcombe
Company Secretary

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

