



21 May 2013

ANNOUNCEMENT 384

Market Announcements Office
Australian Securities Exchange
Level 6
20 Bridge Street
SYDNEY NSW 2000

By ASX Online
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Dear Sir,

CO2 Group achieves another major milestone for Project Sea Dragon Land positions secured.

CO2 Group is pleased to advise the market that its wholly-owned subsidiary Western Australian Resources Limited (WARL or the 'Company') has entered into option agreements for the lands required for the entire Project Sea Dragon development.

The Company has been investigating and analysing properties across Northern Australia to identify the best locations for the establishment of its world scale aquaculture project. After shortlisting a select number of high quality properties, the Company has optioned its preferred sites for development of grow-out ponds and is in advanced negotiations on other suitable properties and ancillary infrastructure sites required for Project Sea Dragon.

"This is another significant milestone for Project Sea Dragon as it enables the next stage of Project Feasibility to be undertaken. It dramatically assists the Company in securing a Joint Venture partner to take the project to Bankability," said Andrew Grant, CEO of CO2 Group.

Whilst the locations of the preferred sites are subject to confidentiality agreements and cannot be disclosed at this stage, the properties represent world class development sites and have been chosen after rigorous site analysis, assessing factors such as physical features, environmental qualities, production value, land tenure, social licence to operate, proximity to relevant infrastructure and capital demand.

Managing Director of WARL, Robert Bell commented "These sites represent some of the best locations for large scale land-based aquaculture in the world and the land areas are of sufficient size to develop – subject to government approvals – the full scale of 10,000 hectares of grow-out ponds proposed for Project Sea Dragon. They also provide importantly, optionality for the Project's other required infrastructure and scalability into additional projects into the future".

The Company is very satisfied with progress to date on Project Sea Dragon and is confident of securing third party investors. Preliminary discussions with Australian and international investors have been held and the interest to date in the project has been very high. Shortlisted parties have this week been invited into a project data room and are now progressing with investment due diligence.

WARL is also in discussions with several parties regarding offtake agreements for its high grade Black Tiger Prawn product which command premium prices in markets in the USA, Japan, the EU and China.

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).



CO2 Group will continue to keep the market apprised of additional milestones as they are achieved.

Please refer any queries to Rob Bell (WARL Managing Director) on 08 9321 4111.

Yours faithfully,
CO2 Group Limited

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

Harley Whitcombe
Company Secretary

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About WARL

Western Australian Resources Limited is a wholly-owned subsidiary of the CO2 Group Limited (ASX: COZ). WARL's vision is to develop a new, transformational agri/food enterprise in Australia through sustainable development of large-scale aquatic protein production systems. Leveraging off CO2 Group's expertise in sustainability and project delivery track-record, WARL is currently undertaking feasibility studies to site, design and develop the first development of its vision – Project Sea Dragon – a world class, land-based prawn farming enterprise in northern Australia.

The Project Sea Dragon development is designed to produce around 100,000,000 kilograms of prawns per annum. This volume constitutes about four times Australia's total current prawn fisheries production and would make Australia the sixth or seventh largest producer in the world, but would still only represent about 4% of China's total farmed prawn volume.