



Our Ref: CO2 ASX Announce Appendix 3B Options Exercise 21-11-11 (326)

ANNOUNCEMENT NUMBER 326

21 November 2011

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

By: ASX Online  
Number of pages: 9  
(including this page)

Dear Sir

**RE: Appendix 3B  
Listed Options Conversion**

Enclosed is Appendix 3B giving notice of a new issue of ordinary shares, the request for quotation of the new shares reflects the number of shares and options issued.

We have also enclosed revised Top 20 Shareholders post the issue.

This now completes the allotment of shares on the exercise of the Company's listed options. The Directors of CO2 Group would like to thank option holders and shareholders for their ongoing support for the Company and the direction the Company has taken with 96.5% of the listed options on issue being exercised. The exercise of the options sees the Company well positioned to take advantage of the recent passing of legislation for the Carbon Farming Initiative and the Clean Energy Bill. CO2 Group's cash position post the exercise of the options which realised \$17.9 million is \$34.5 million. Any listed options not exercised are now expired.

Should there be any queries with respect to this issue, please telephone Harley Whitcombe on 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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**CO2 Group Limited**

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PO Box 7312 Cloisters Square Perth WA 6850

Tel. 08 9321 4111 ABN 50 009 317 846  
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## Appendix 3B

### ***New issue announcement, application for quotation of additional securities and agreement***

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

**CO2 Group Limited**

ABN

**50 009 317 846**

We (the entity) give ASX the following information.

### ***Part 1 - All issues***

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                                   |
|---|--|-----------------------------------|
| 1 | +Class of +securities issued or to be issued   | <b>Fully Paid Ordinary</b>        |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | <b>128,491,102</b>                |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <b>Fully Paid Ordinary Shares</b> |

+ See chapter 19 for defined terms.

| 4                  | <p>Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <b>Yes</b>   |        |                    |                    |                            |
|--------------------|---|--|--------|--------------------|--------------------|----------------------------|
| 5                  | Issue price or consideration  | <b>A\$0.12</b>   |        |                    |                    |                            |
| 6                  | Purpose of the issue<br>(If issued as consideration for the acquisition of assets, clearly identify those assets)   | <b>Exercise of 128,491,102 Listed Options</b>  |        |                    |                    |                            |
| 7                  | Dates of entering <sup>+</sup> securities into uncertificated holdings or despatch of certificates  | <b>21 November 2011</b>  |        |                    |                    |                            |
| 8                  | Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)   | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Number</th> <th style="text-align: left; padding: 2px;"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;"><b>429,451,319</b></td> <td style="padding: 2px;"><b>Fully paid ordinary</b></td> </tr> </tbody> </table> | Number | <sup>+</sup> Class | <b>429,451,319</b> | <b>Fully paid ordinary</b> |
| Number             | <sup>+</sup> Class  |  |        |                    |                    |                            |
| <b>429,451,319</b> | <b>Fully paid ordinary</b>  |  |        |                    |                    |                            |

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<sup>+</sup> See chapter 19 for defined terms.

|   |   |                   |                                   |
|---|---|-------------------|-----------------------------------|
| 9 | Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable) | Number            | <sup>+</sup> Class                |
|   |   | <b>30,150,189</b> | <b>Convertible pref shares</b>    |
|   |   | <b>1,580,000</b>  | <b>Options exp<br/>30/11/2012</b> |
|   |   | <b>4,500,000</b>  | <b>Options exp<br/>02/12/2012</b> |

  

|    |  |  |
|----|--|--|
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | <b>The shares will rank equally with all other fully paid shares</b> |
|----|--|--|

**Part 2 - Bonus issue or pro rata issue**

- |    |  |                       |
|----|--|-----------------------|
| 11 | Is security holder approval required?  | <b>Not Applicable</b> |
| 12 | Is the issue renounceable or non-renounceable?   |                       |
| 13 | Ratio in which the <sup>+</sup> securities will be offered   |                       |
| 14 | <sup>+</sup> Class of <sup>+</sup> securities to which the offer relates                           |                       |
| 15 | <sup>+</sup> Record date to determine entitlements   |                       |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? |                       |
| 17 | Policy for deciding entitlements in relation to fractions  |                       |

<sup>+</sup> See chapter 19 for defined terms.

- 18 Names of countries in which the entity has <sup>+</sup>security holders who will not be sent new issue documents  
  
Note: Security holders must be told how their entitlements are to be dealt with.  
  
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup>security holders
- 25 If the issue is contingent on <sup>+</sup>security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)

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+ See chapter 19 for defined terms.

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- 30 How do <sup>+</sup>security holders sell their entitlements *in full* through a broker?
- 31 How do <sup>+</sup>security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Despatch date

### **Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### **Entities that have ticked box 34(a)**

### **Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

**Not Applicable**

- 35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

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+ See chapter 19 for defined terms.

37  A copy of any trust deed for the additional +securities

***Entities that have ticked box 34(b)***

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

|   | Number | +Class |
|---|--------|--------|
| 42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38) |        |        |

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+ See chapter 19 for defined terms.

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

  
(Director/Company secretary)

Date: 21 November 2011

Print name: Harley R Whitcombe

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+ See chapter 19 for defined terms.



## CO2 Group Limited

### Top 20 Shareholders 21 November 2011 - Grouped

| Rank | Name  | Shares Held        | % of Shares on Issue |
|------|---|--------------------|----------------------|
| 1    | Gabor Holdings Pty Ltd <Tricorp A/C>                                      | 104,575,625        | 24.35                |
| 2    | Avatar Industries Pty Ltd   | 89,960,018         | 20.95                |
| 3    | Crestpark Investments Pty Ltd   | 23,276,545         | 5.42                 |
| 4    | Ms Susan Elizabeth Wallwork   | 14,545,188         | 3.39                 |
| 5    | Gabor Holding Pty Ltd   | 10,904,046         | 2.54                 |
| 6    | Favcor Pty Limited <Favretto Family A/C>                                  | 10,215,624         | 2.38                 |
| 7    | Pinnacle Superannuation Pty Ltd <PJF S?F A/C>                             | 9,909,386          | 2.31                 |
| 8    | City Lane Pty Ltd <The Whitcombe Family A/C>                              | 9,674,557          | 2.25                 |
| 9    | Penson Australia Nominees Pty Ltd <Argonaut Account>                      | 6,810,003          | 1.59                 |
| 10   | Lopez Enterprises Pty Ltd <The McAuliffe Super Fund A/C>                  | 3,981,000          | 0.93                 |
| 11   | MRC Services Pty Ltd <Cooper Family A/C>                                  | 3,557,693          | 0.83                 |
| 12   | Mr Andrew William Thorold Grant   | 3,554,410          | 0.83                 |
| 13   | Mrs Gail Evelyn Robertson & Mrs Tricia Maree Salter <GKT Super Funds A/C> | 3,239,998          | 0.75                 |
| 14   | Mr Geoffrey Norman Barnesby-Johnson & Ms Catherine Jane Halvorsen         | 3,000,000          | 0.70                 |
| 15   | Mr Harry Carter & Mrs Judith Carter <Carter Family Super Fund A/C>        | 2,725,625          | 0.63                 |
| 16   | Mr Michael Thomas Cullen <Cullen Family A/C>                              | 2,700,000          | 0.63                 |
| 17   | Nareenen Pty Limited <The Leijer Family A/C>                              | 2,425,626          | 0.56                 |
| 18   | Narrow Lane Pty Ltd <Super Fund A/C>                                      | 2,080,000          | 0.48                 |
| 19   | Mrs Susan Kay Trahar  | 1,959,121          | 0.46                 |
| 20   | Leisure Homes Pty Ltd <Leisure Homes Staff S/F>                           | 1,756,600          | 0.41                 |
|      | <b>Total Top 20 Holders of Ordinary Fully Paid Shares</b>                 | <b>310,851,065</b> | <b>72.38</b>         |
|      | <b>Total Remaining Holders Balance</b>                                    | <b>118,600,254</b> | <b>27.62</b>         |