



CARBON POLYMERS

Carbon Polymers Limited

ASX:CBP

Investment Update

Issued by
Carbon Polymers Limited
ACN: 000 764 572
February 2011

Important Notice – Carbon Polymers Limited (“CBP”)

The information contained in this confidential document ("Presentation") has been prepared by Carbon Polymers Limited (the "Company"). It has not been fully verified and is subject to material updating, revision and further amendment.

While the information contained herein has been prepared in good faith, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as "Information") and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation.

Neither the issue of this Presentation nor any part of its contents is to be taken as any form of commitment on the part of the Company to proceed with any transaction and the right is reserved to terminate any discussions or negotiations with any prospective investors. In no circumstances will the Company be responsible for any costs, losses or expenses incurred in connection with any appraisal or investigation of the Company. In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation which may become apparent.

This Presentation should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and each recipient should satisfy itself in relation to such matters.

Neither this Presentation nor any copy of it may be (a) taken or transmitted into the United Kingdom, Canada, Japan or the United States of America, their territories or possessions; (b) distributed to any U.S. person (as defined in Regulation S under the United States Securities Act of 1933 (as amended)) or (c) distributed to any individual outside Australia, who is a resident thereof in any such case for the purpose of offer for sale or solicitation or invitation to buy or subscribe any securities or in the context where its distribution may be construed as such offer, solicitation or invitation, in any such case except in compliance with any applicable exemption. The distribution of this document in or to persons subject to other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

This Presentation includes certain statements or Forecasts that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address future activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.

1	▪ Executive Summary	4
2	▪ Snapshot	5
3	▪ Directors and Management	7
4	▪ Company Overview	9
5	▪ Market Overview	14
6	▪ Growth Strategy	19
7	▪ Financials	26
8	▪ Risk Mitigation Strategy	30
9	▪ Summary	31

- ✓ The Carbon Polymers is a leading business in carbon and plastic recovery and reuse. We have a diverse range of products and customers that underpin our business model. We are at the forefront of new recycling technologies to promote the reuse of limited resources.
- ✓ The Group is well positioned to grow organically from untapped capacity within its existing infrastructure and from consolidation of a highly fragmented sector.
- ✓ The Carbon Polymers Group will focus on increasing its utilised plant capacity to produce 36,000,000 tonnes of Tyre Derived Products (TDP) within a 2 year timeframe.
- ✓ Environmental and industrial technology – carbon capture, reuse
- ✓ Meets the needs of the government and the community
- ✓ Deliver to shareholders a cashflow business in times of economic uncertainty



CARBON POLYMERS

Snapshot

History

- The engineer behind the disruptive recycling technology identified a significant lack of recycling capability in the waste tyre sector.
- The technology was born to handle a quantum leap in processing and consequently the ability to generate profits.
- Nullarbor Holdings Limited was listed in 1970 and has operated as a General Investment company. It changed its name to Carbon Polymers Limited (CBP) in October 2010.
- Nullarbor saw an advantage to partner with Oakturn to promote the technology and benefit from the new direction.
- CBP recently went through a restructure where we have changed the focus of the group to recycling and the re-manufacturing plastics and hydrocarbons.
- Out of this new direction was created a state of the art and best of breed recycling company.

Business

- CBP offers state of the art recycling of waste tyres and and polymers with six key offerings:
 - Waste Tyre Collections
 - Tyre Recycling & Processing
 - Plastic Recycling
 - Specialised Composite Extrusion Products
 - Tyre Derived Products
 - Plastic Extrusion Products

Strategy and Growth Option

- Integrate existing acquisitions, re-brand companies or modify plant to CBP, recognize synergies and set about organic growth
- Focus on targeted expansion– consolidate via acquisition and roll out unique value added proposition
- Identify high value partnerships to expand nationally whilst maintaining or improving margins

3 Directors and Management

Board of Directors

Andrew Howard – Group Managing Director

Andrew Howard is currently an Executive Director of Alt-Fx Limited, a public company that is a fully licensed Australian investment management and capital markets advisory company. He is also a current Non-Executive Director of Allmine Group Limited. Mr Howard has a background in capital markets with local and international Investment banks over the last 25 years. Mr Howard is currently an RM on an Australian Financial Service Licence and has a deep understanding of a top down approach addressing the needs of investors and the importance of institutional corporate governance. He has a background in restructuring commercial ventures and comes from a performance based culture.

Director of Allmine Group Limited on 26 July 2010
Director of Alt-FX Limited on 25 May 2003

Philip De Prima– Non-Executive Director

Mr De Prima has held numerous senior positions within the banking industry for 35 years and is well familiar with the business model that Nullarbor Holdings is currently adopting. Mr De Prima's financial knowledge is invaluable to the company in moving forward through the current economic climate.

Kevin Wong– Non-Executive Director

Dr Kevin Wong is a Medical Practitioner who has been a director of Nullarbor Holdings since 2001 and has a long-term understanding of the company and its operations. Over the last 6 years he has also served as a Director on the board of a NFP organisation in a variety of roles including Vice Chair. He is a Fellow of the Australian Institute of Company Directors.

Godfrey Vella – Non-Executive Director

Mr Vella has a wealth of knowledge and experience from his diversified business background over the last 35 years in freight forwarding, logistics and retail management. He has been a joint owner of a magazine publishing company for 15 years and over the last 8 years has been managing a range of equity investments. Mr Vella is also involved in the commercial property sector and holds a diverse portfolio of properties.

Colin Grady – Non-Executive Director & Company Secretary

Colin Grady has been Director of Nullarbor Holdings Ltd since September 1998 and serves as Secretary. Mr. Grady is a Chartered Accountant and has worked on the board of numerous listed companies and has extensive experience in the management and audit of companies.

Key Management Team

Andrew Howard – Group Managing Director

Jerry Gordon – Managing Director

Jerry Gordon has been at the heart of developing new technologies for recycling. Carbon Polymers has been the recipient of Jerry's innovations. Jerry has a background in mechanical engineering. His career spans 30 years. He has developed plant and equipment for commercial grade textile manufacturing, laser cutting, packaging and handling equipment, tyre recycling systems and plastic extrusion systems. Jerry is an accomplished businessman that has been involved in all levels of management and has a deep understanding of the manufacturing and processing business and its operations.

Anthony (Tony) Rowe – General Manager

Tony Rowe is an experienced, forward thinking executive, with significant and proven expertise in the development, growth and maintenance of profitable business lines. He has held the position of General Manager of several major Australian companies in construction and engineering. Tony's background covers a wide range of companies from start-up operations to publicly listed & multinational companies. Over the last 20 years Tony has acquired key experience in supervisory and executive management roles.

William (Bill) Falzon – Production Manager

Bill has 45 Years experience in all facets of the Tyre Industry. Bill has been involved with retail and wholesale tyre fitting, retreading and tyre classing. He has extensive experience in the recycling of tyre products using various methods such as shredding, crumbing and buffing. A large part of his career was in managing operations and production.

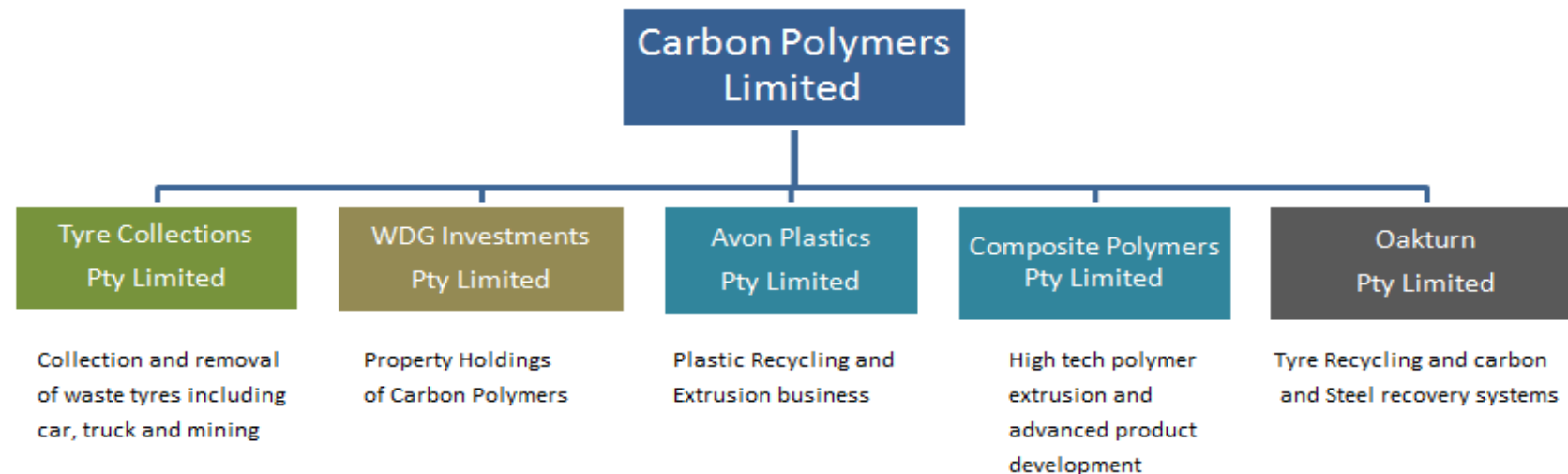
A lightbulb is shown with a landscape scene inside. The scene features a large, leafy tree in the foreground, a body of water, and a distant shoreline with buildings. The sky is blue with some clouds. The lightbulb has a black base and a clear glass top. The text "CARBON POLYMERS" is overlaid on the image in a bold, white, sans-serif font.

CARBON POLYMERS

Company Overview

4 Company Overview - Structure

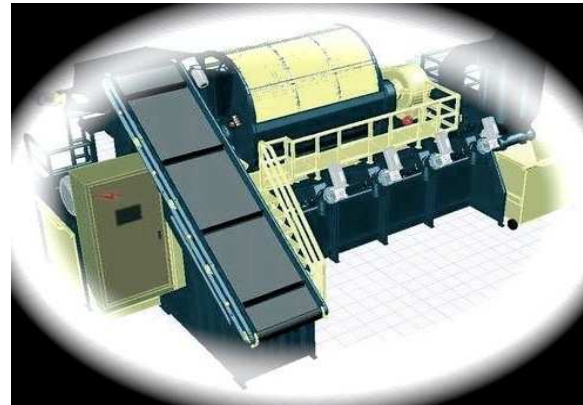
CBP has several lines of business, independently operating, but jointly producing advanced polymers. Our Tyre collection business delivers environmental outcomes that benefit the community at a realistic cost. Our plastic recycling business has the ability to process a range of different waste plastics and as such places CBP at the forefront of environmentally friendly recycling technology. Finally, our composite polymer extrusion business has the ability to change the way plastics are used and recycled.



4 Company Overview - Operations

Tyre Recycling

Tyre Collections



Plastic Extrusions



Plastic Collections & Recycling

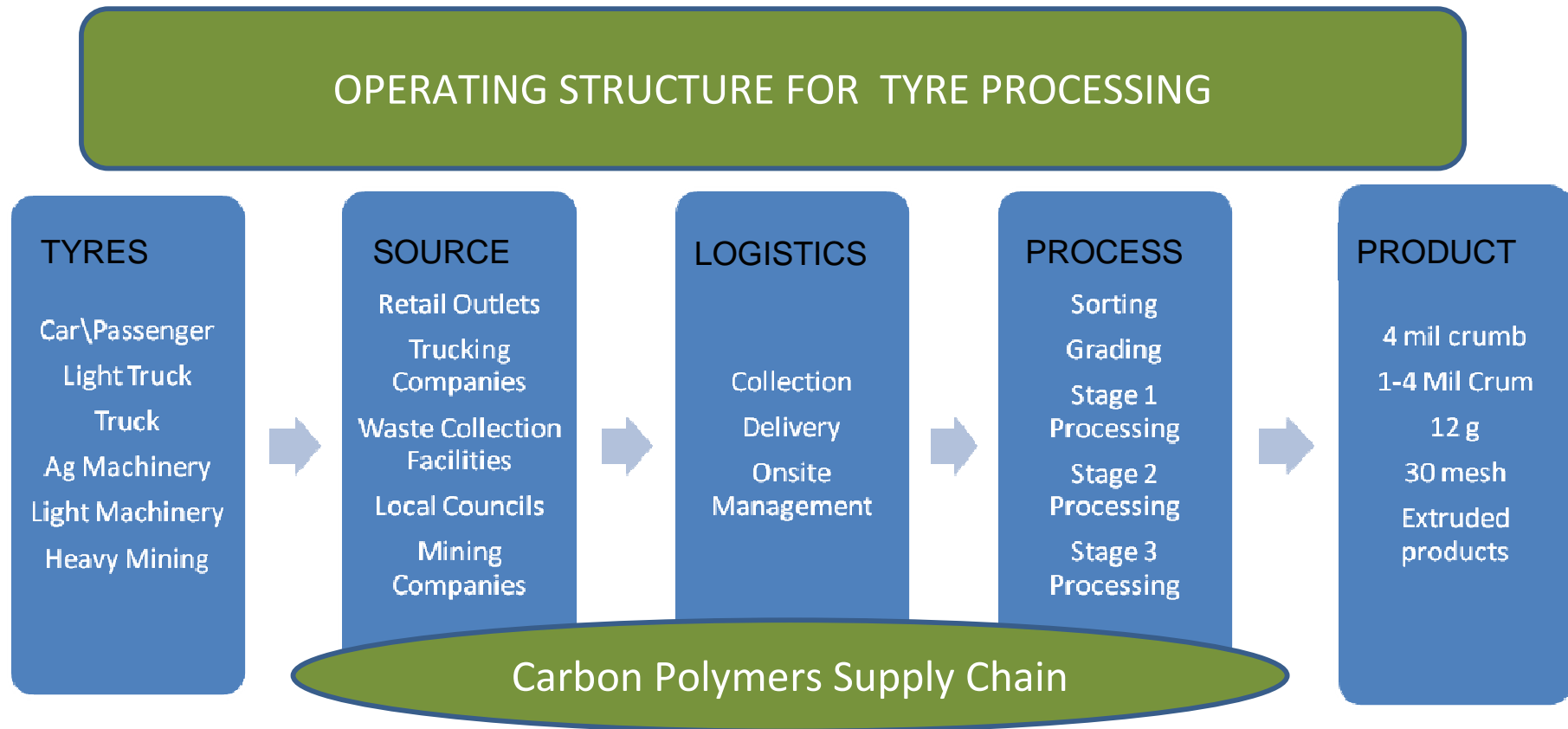


Composite Extrusion



4 Company Overview - Capital Structure

Capital Structure	SHARES		Amount
	FPO Shares on Issue		77,909,898
	Oakturn Acquisition Issue		30,000,000
	TOTAL SHARES		107,909,898
	Market Capitalisation @ \$0.35		\$37,768,464
	DEBT FACILITIES DRAWN		Amount
	Secured Debt facilities – Drawn		\$0
	Convertible notes – Drawn		\$1,400,000
	TOTAL DEBT		\$1,400,000
	DEBT FACILITIES AVAILABLE		
	Convertible note facilities (Offered)		\$1,000,000
	Overdraft Facility (Pending)		\$150,000
	TOTAL AVAILABLE		\$1,150,000



- **Fragmented market – small players, no formal industry**
- **Misallocation of resources – valuable resources being wasted**
- **Resilience to economic downturn – environmental imperative assists value**
- **Ad hoc industry practises – no consistency of commercial supply**
- **Requires consolidation of smaller players - market is under utilised**



CARBON POLYMERS

Market Overview

5 Market Overview - Inputs

CBP is leveraged to the undiminished stockpile of waste tyres choking our landfill.

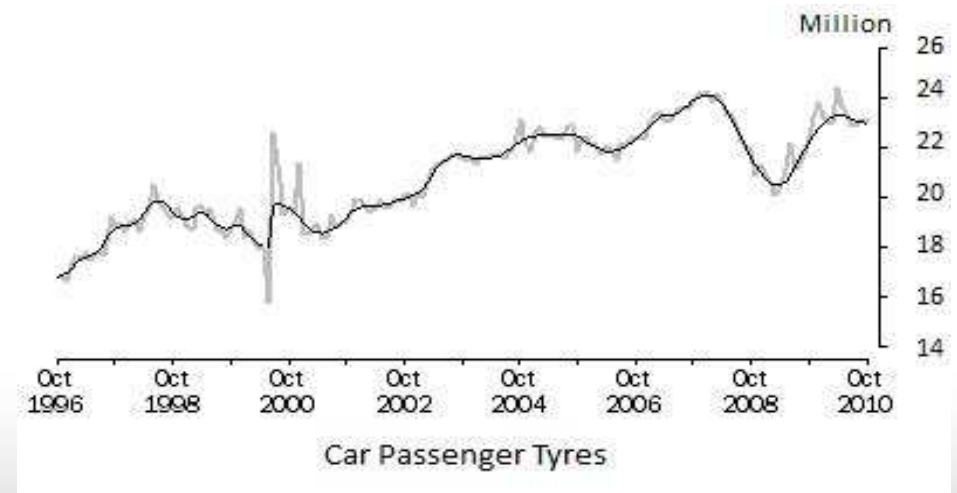
FEEDSTOCK

- In 2007-08, it was estimated that around 52.5 million equivalent passenger unit (EPU) tyres reached their end of life in Australia.
- The assumed weight of one used EPU is taken to be 8 kilograms.
- Approximately 64 per cent of tyres went to landfill or dumped or stockpiled, while only 13 per cent were recycled.
- If this trend remains unchanged, up to 680 million EPU tyres will be sent to landfill over the next 20 years.

Apart from the costs to the community and governments through littering our landscapes and waterways and taking up scarce landfill space, end of life tyres are a source of health and environmental concerns; fires in stockpiles can release toxic gases and pollute waterways, and tyre stockpiles provide breeding habitats for mosquitoes.

Dumped and land filled tyres also represent a loss of potentially valuable resources as many opportunities exist for using end of life tyres. Tyres are generally made from rubber, steel and textile, with truck tyres having a higher rubber content than passenger vehicle tyres. These resources can be recovered and used for other purposes.

Source: Department of Sustainability, Environment, Water, Population and Communities



The estimated market for the replacement of passenger tyres per annum for the last 15 years based on mirroring population statistics.

Our diverse range of products ensure that we are not dependent on any single sector or company

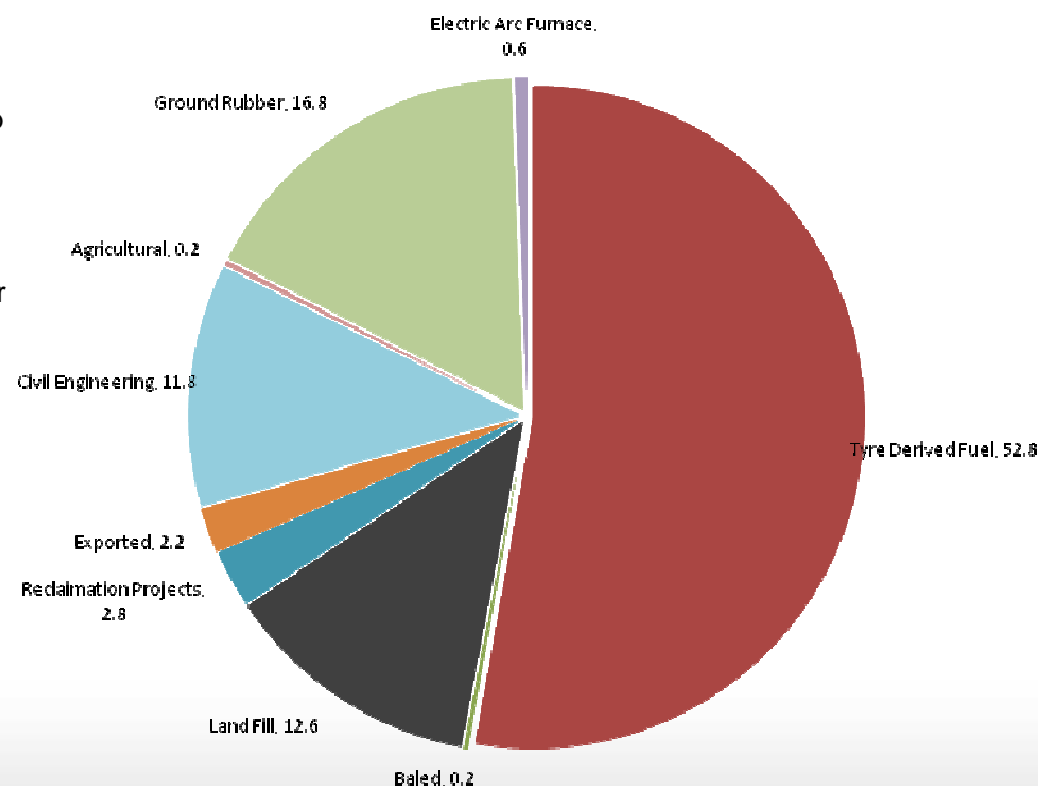
TYRE DERIVED PRODUCTS

Consumers currently pay a disposal levy when they buy new tyres, with national research by URS showing it averaged \$2.50 per passenger tyre and more for larger tyres on a proportional basis. The levy in part covers the costs of collecting and transporting used tyres, their legal disposal and tyre processing, where this occurs. Secondly, the take-back arrangements are well defined and established as tyres are generally purchased from tyre dealers/car service dealers, who in turn remove and keep the old tyres.

Transforming waste material into marketable products, such as new tyres, elasto-polymer based rubber products, industrial insulation, road pavement, industrial and domestic flooring, or geotextiles for retaining walls and embankments. Recycling rubber is a cheaper and more energy-efficient option than producing virgin materials. Tyre-derived products have low ongoing production costs, once the infrastructure is in place, providing cash-flow benefits to industry creating savings on greenhouse gas emissions and conserving natural resources that would otherwise be wasted.

Research and interviews revealed markets for end-of-life tyres range from civil engineering applications, which use tyres with a minimum of reprocessing, through to sub 100-micron powders for use in the elastomer markets. Values range from \$200 per tonne to over \$2,000 per tonne. Some markets are currently unable to obtain the required supply. Value can also be derived from the recovered steel and textiles used in tyres.

Source: Waste Management & Environment Media Pty Ltd



CBP is the solution to the ever increasing problem of waste tyres – both environmentally and commercially.

TYRE WASTE MANAGEMENT ISSUES

When tyres are worn to the point where they must be removed from a vehicle, they are still a rich source of recoverable materials and energy. Disposal of whole tyres in landfills is not a satisfactory solution. They 'float' through the landfill, creating tracks, air pockets and voids and damage liners and covers. They create serious fire hazards. Underground tyre fires are very difficult to control. One UK fire lasted for a decade. While tyre synthetic rubbers are designed to be relatively inert in the atmosphere, they release harmful chemicals when burnt, adversely affecting the organic decomposition processes in the landfill itself, and creating harmful emissions to the air, soil and groundwater. To prevent these impacts, at many landfills, gate fees have been increased to try to cover the true costs of disposal and on-going management. Disposal of whole tyres is prohibited in several states.

There is a significant illegal dumping and stockpiling problem. Not only do they represent a fire risk, as outlined above, but dumping in gullies and creeks can disrupt waterways. In the landscape, they also provide breeding sites for vermin and mosquitoes. Clean-up costs can be quite substantial as well. Illegal disposal occurs in urban areas as well as in more remote locations.

Source: Australian Tyre Importers Group (ATIG)

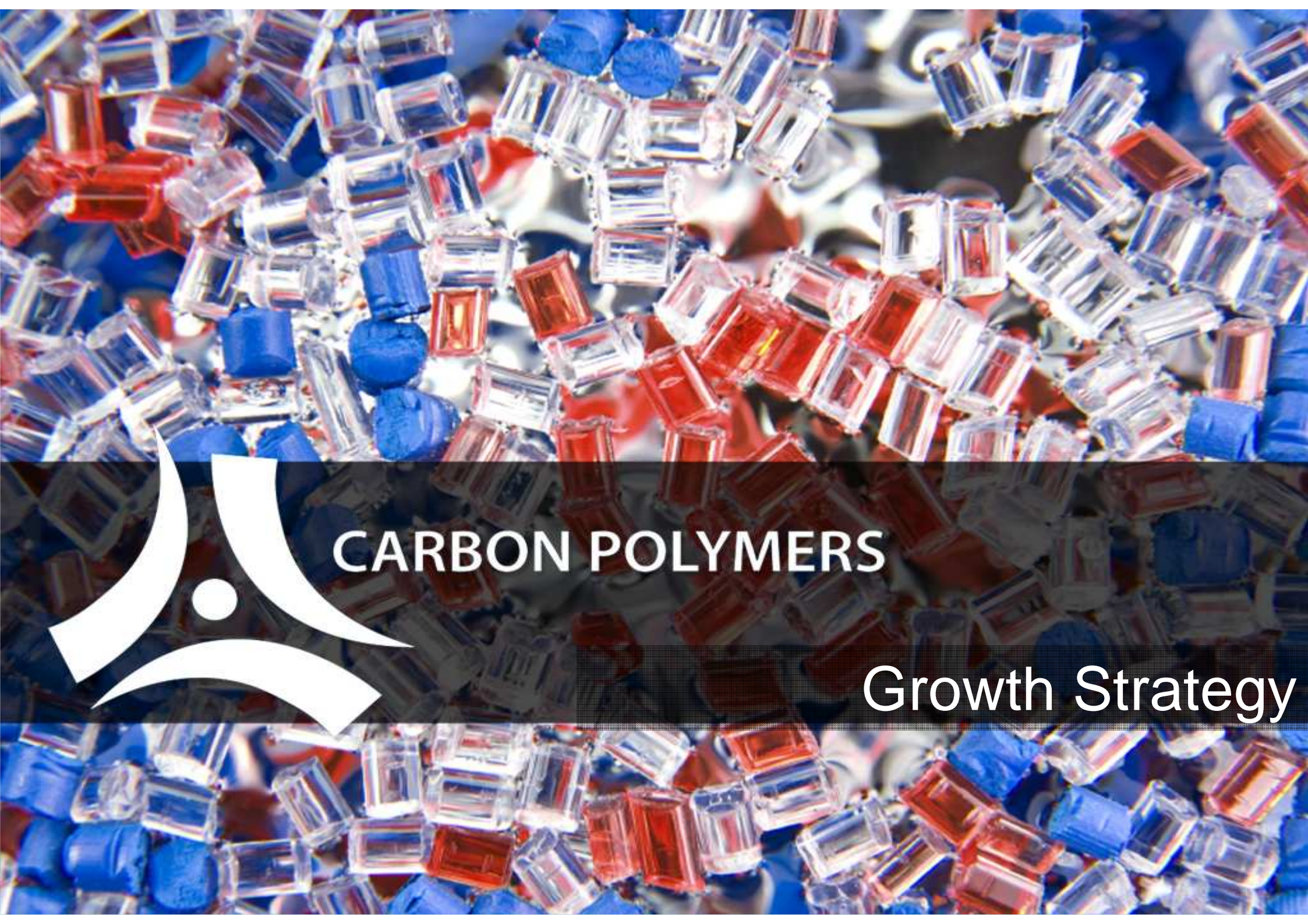


5 Market Overview – Operating Conditions

The Carbon Polymers Group operates in an industry that can weather a Global Financial Crises and potentially grow during that time.

CBP attributes its resilience and strength moving forward to the following:

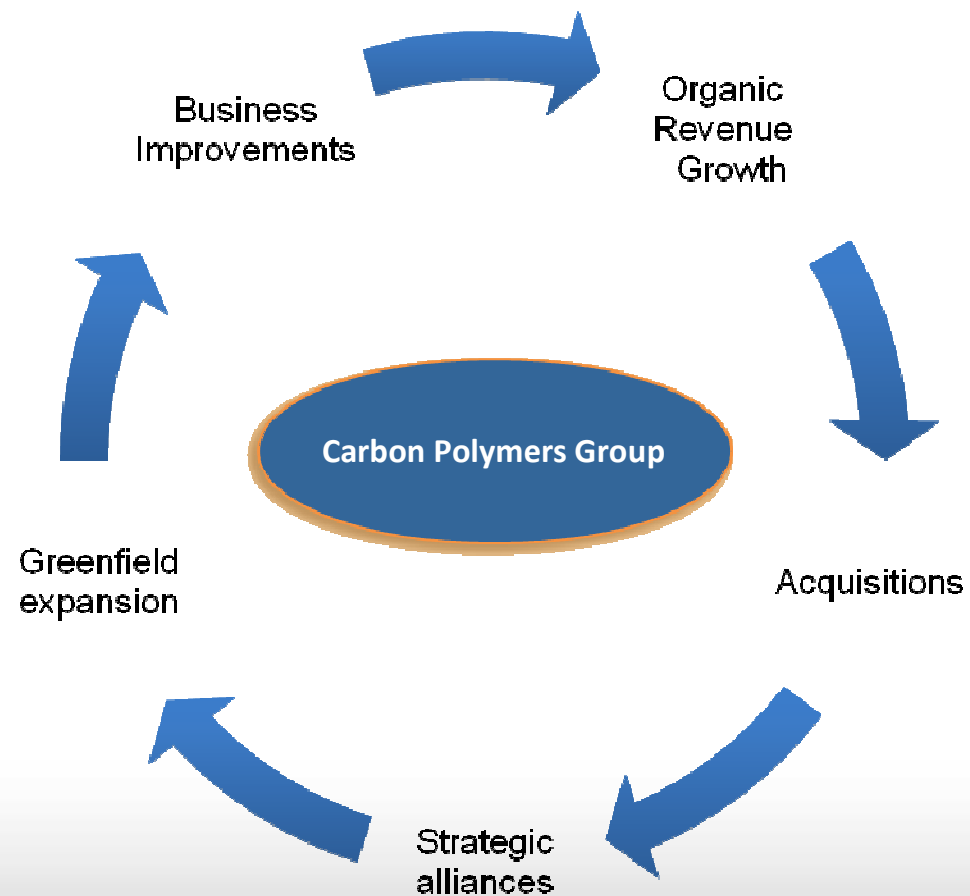
- The Carbon Polymers Group principally derives its income from value adding its Tyre Derived Products (TDP) (in excess of 80% of the Group's sourced revenues).
- The Carbon Polymers Group can source feedstock from government stockpiles and does not depend on supplementing supply to maintain commercial levels of output.
- Our TDP market is under optimised. We can deliver products substitution in several markets at a lower cost that far outstrips our ability to supply those markets.
- Waste is a lifestyle problem that is now a commercial problem. Government intervention is now driving the outcomes. This intervention is not necessary for our bottom line, but adds to it.
- Waste tyres are a significant problem and all western governments now recognise that they need to address the issue or be overwhelmed by tyres. Thankfully we have governments that are addressing the issues.
- Global economic conditions have improved in the past six months as the US and Europe lifted industrial output from previously depressed levels and China returned to double digit growth.



CARBON POLYMERS

Growth Strategy

- The Carbon Polymers growth strategy is multi-faceted. The strategy has been developed to maximise the potential within the Group and its client base, extract operational efficiencies and synergies, and to take advantage of the market fragmentation and product placement opportunities.



6 Growth Strategy - Organic

Growth

Sales

Customer
Targeting

Marketing

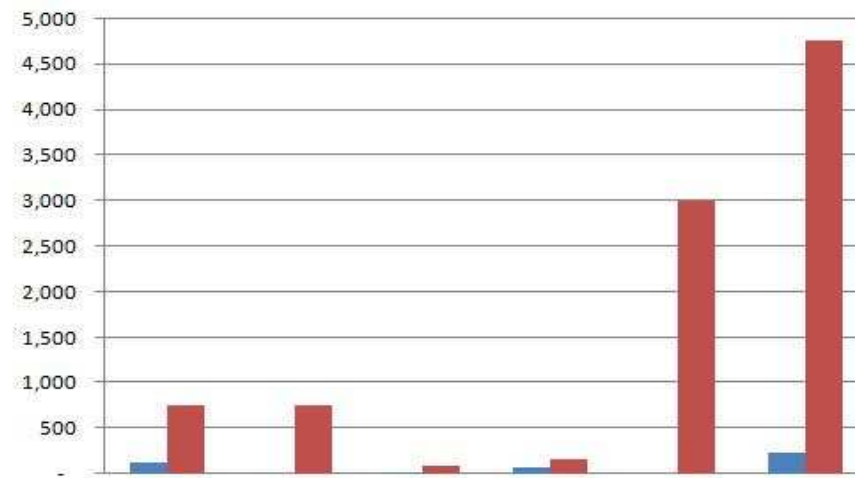
Sales Coverage



New Products

National
Expansion

Capacity

Tonnes



		SHM Plant	SHM Plant 2	SR Station	HT Station	Main Plant	Total Processing
Current Utilisation		125	-	25	75	-	225
Full Capacity		750	750	83	167	3,000	4,750
<i>(Estimated per month)</i>							

- The group has a significant level of under utilised capacity within existing plant.

6 Growth Strategy - Acquisitions

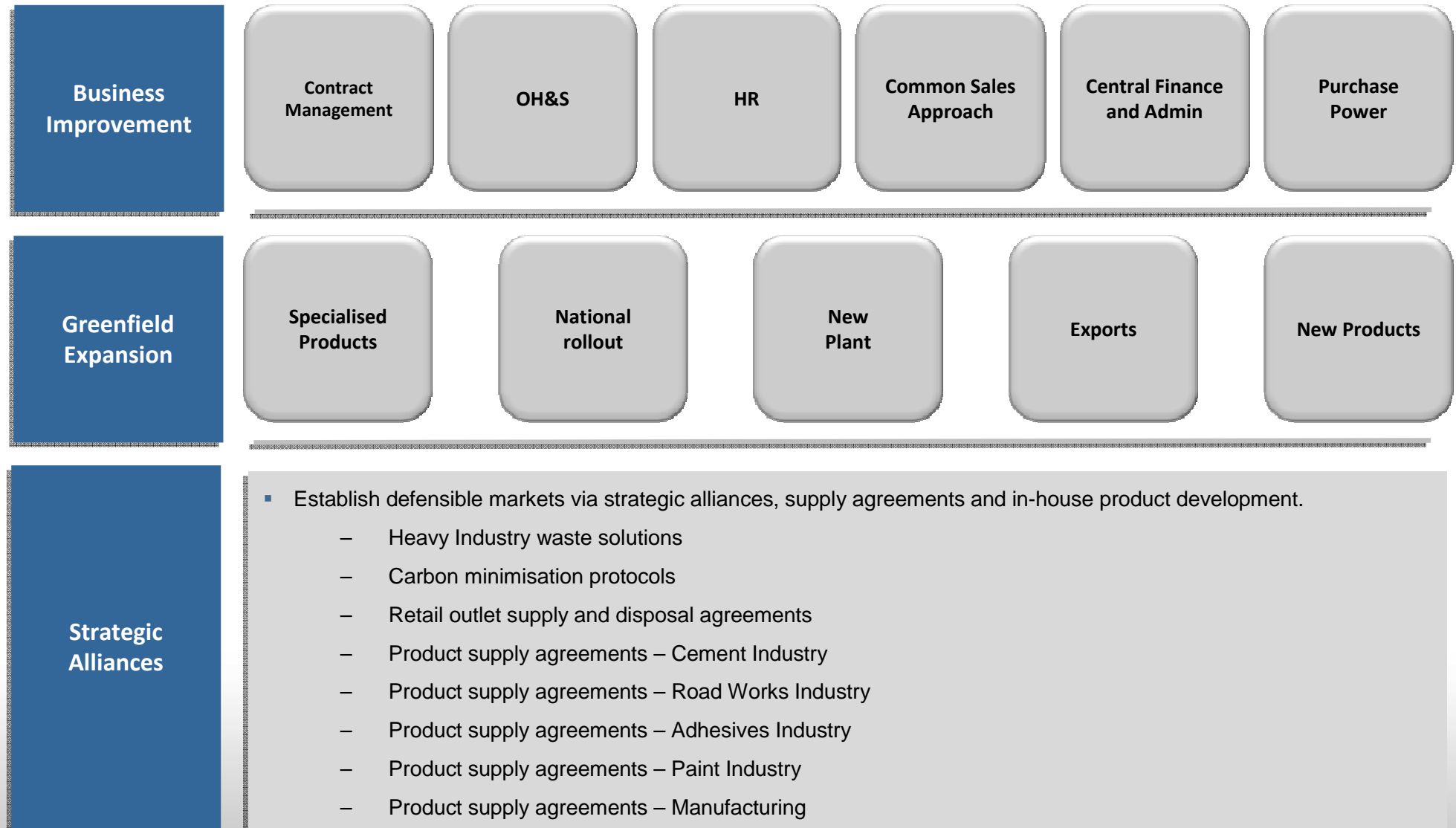
Acquisitions

- The recycling industry for waste tyres is extremely fragmented with a number of small businesses operating in generally a defined geographic area
- Larger corporate clients are now demanding a higher level of OH&S which is suited to larger service companies
- The current environment is an opportune time to make acquisitions as owners' expectations have lowered and competition from other potential acquirers has reduced

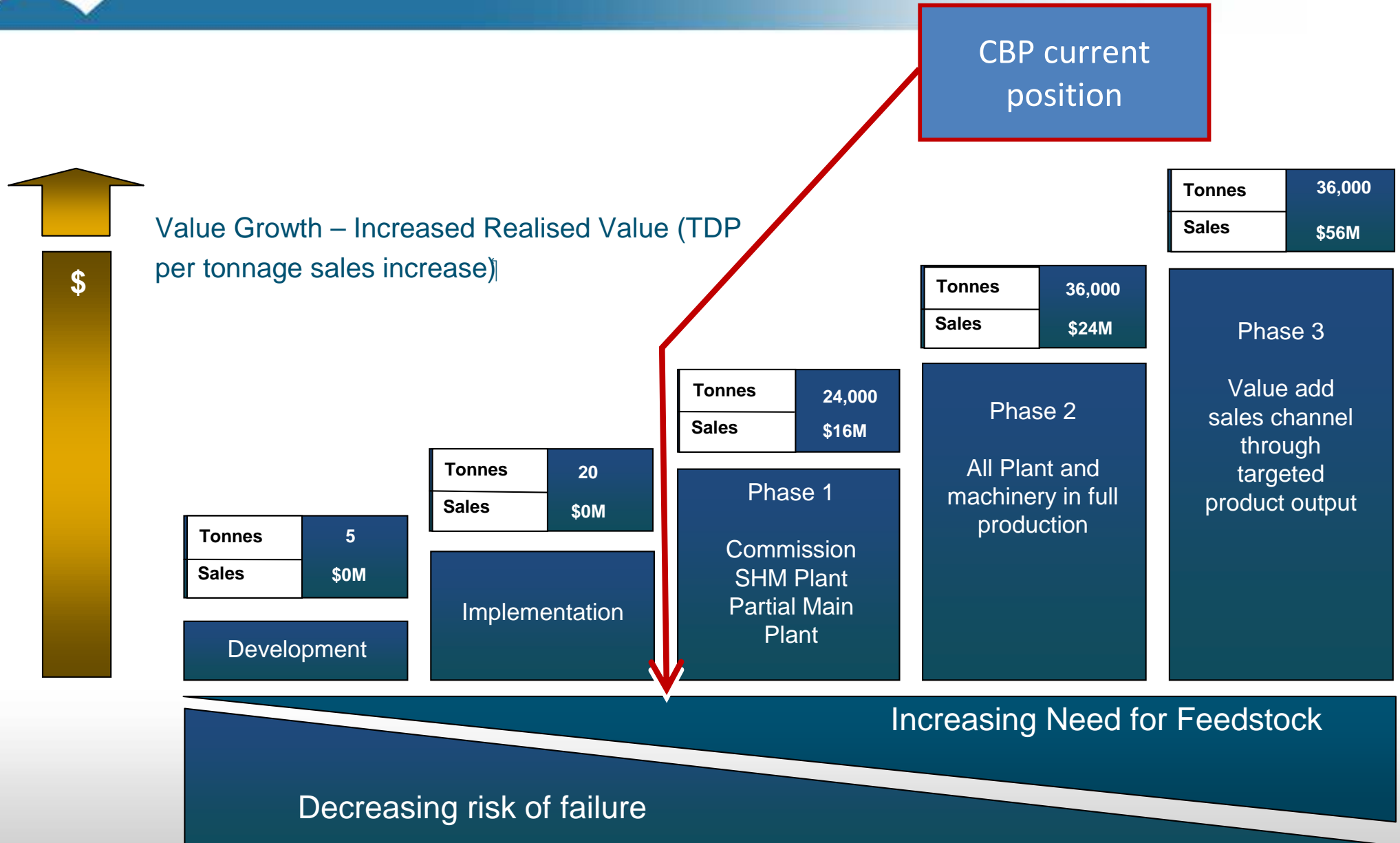
Acquisition Due Diligence

- Establish if the target plant can be upgraded
- Question if CBP can grow organically without the acquisition
- Is there a strategic fit with the Carbon Polymers Group strategy
- Strong financial performance (profitable and not capital intensive)
- Client and vendor recommendations (culture and reputation)
- Alignment of services offering (fit in value chain and margin %)
- Forecast profit growth
- Purchase multiples of up to 3x sustainable EBIT
- Mix of part-cash and part-script

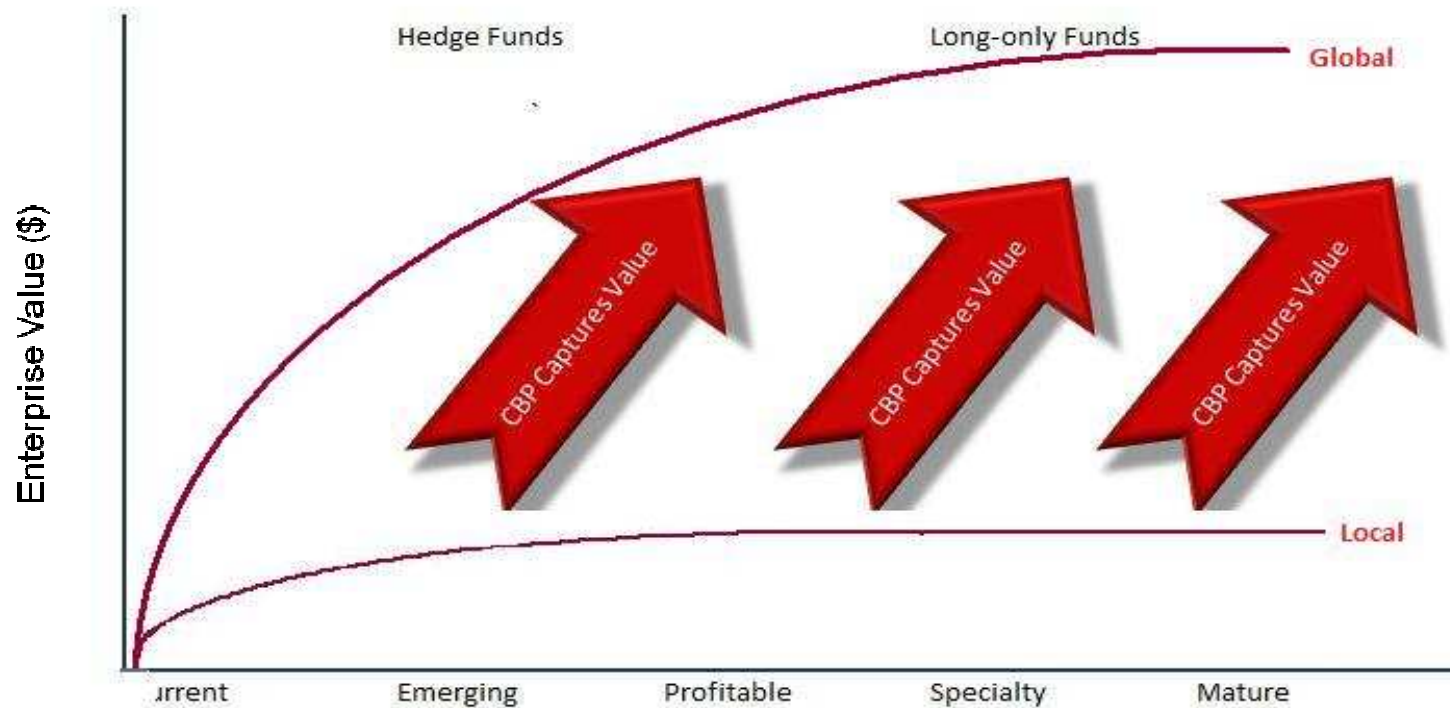
6 Growth Strategy - Others



6 Growth Strategy – Value Uplift



6 Growth Strategy – Share Price



The Market

USA:NYSE

8+ Public Co's
E.V up to \$17 billion

Market Cap:

NYSE \$11.9 trillion
Sector \$45 billion

Recycling & waste services
underrepresented on listed
exchanges

Sims Metal Management

- A\$4.136 Billion EV
- Recycler
- Global Footprint
- Public Company
- PE Ratio 10X

7 Financials - Income Forecast

	Forecasted Financial Information for FY June 2011	Forecasted Financial Information for FY June 2012
Revenue	2,112,800	26,715,234
Cost of Sales	105,640	2,195,000
Gross Profit	2,007,160	24,520,234
Operating Expenses	1,107,727	3,225,917
EBITDA	899,433	21,294,317
Depreciation and amortisation	162,500	762,967
EBIT	736,933	20,531,350
Financing costs	73,500	194,218
Net Profit before tax	663,433	20,337,132
Income tax	0	
Net Profit after tax	663,433	20,337,132

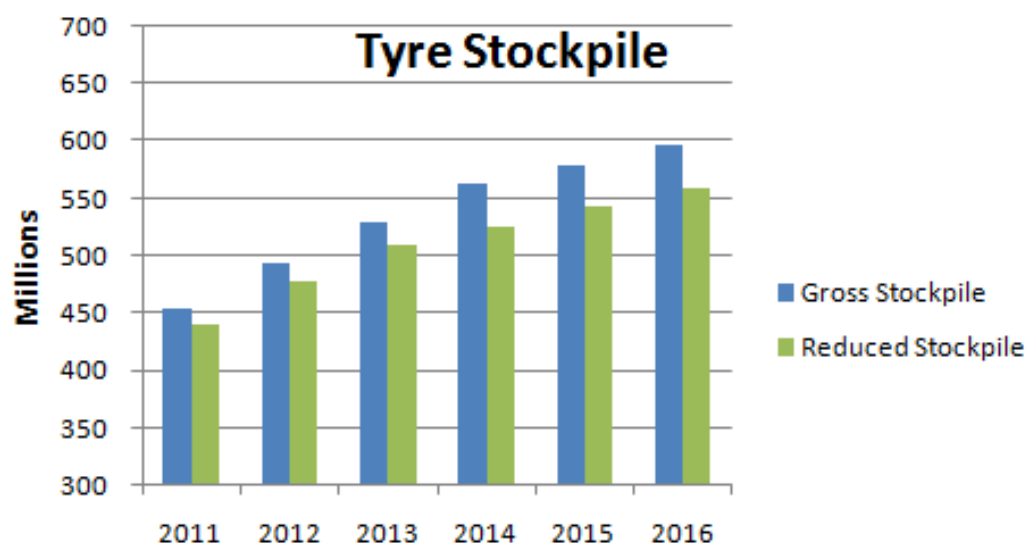
Carbon Polymers Group – Pro forma Balance Sheet

- Significant balance sheet components consist of operating plant and equipment.
- Recent capital raising proceeds applied to general working capital, acquisition funding, and Plant completion.
- The Balance Sheet is effectively unleveraged with \$1.4 million convertible notes and \$15.6 million in assets and capacity to conservatively re-leverage the balance sheet for future expansion or targeted acquisition
- Based on forecasted cashflows, acquiring the Smithfield property and retaining all FY 2011/2012 earnings the Balance Sheet will have \$35 million in net assets.

Pro forma 2010	December 2010	June 2012
Cash	309,000	557,960
Receivables	46,000	157,000
Fixed Assets	15,259,339	15,259,339
Free Hold Property	0	4,595,000
Other	0	14,968,614
TOTAL ASSETS	15,614,339	35,437,913
Current	0	0
Non current	878,991	0
Other	0	0
TOTAL LIABILITIES	878,991	0
NET ASSETS	14,735,348	35,437,913

CBP - PROPOSED AUSTRALIAN ROLLOUT RECYCLING TECHNOLOGY

Plant Rollout	Processing Capacity (EPU)	Rollout Costs	Forecasted Costs FY 2012	Forecasted Revenue FY2012	Forecasted Profit FY2012	Estimated Capitalisation	Year
Smithfield (Current)	5,000,000	\$6,000,000	\$5,420,917	\$26,715,234	\$21,294,317	\$149,060,219	2012
Brisbane (2012)	5,000,000	\$9,000,000	\$5,420,917	\$26,715,234	\$21,294,317	\$149,060,219	2013
NSW Regional (2013)	15,000,000	\$18,000,000	\$10,841,834	\$66,788,085	\$55,946,251	\$391,623,757	2014
Total Processed	25,000,000	\$33,000,000	\$21,683,668	\$120,218,553	\$98,534,885	\$689,744,195	



Waste tyre numbers will still be a problem. Minimal Stockpile reduction with the introduction of new plants

Shares on issue	107,908,909
Current Share price	\$0.35
Forecasted Share price (2012)	\$1.38
New Capital Required	\$27,000,000
Forward Looking Share price (2012)	\$1.38
New shares issued (2012)	20,000,000
New Capital Raised	\$27,627,046
Total shares on issue	127,908,909
Forward looking Market Cap (2013)	\$298,120,438
Forward looking 3 yr Share price	\$2.33

CARBON MECHANISM

A tradable credit can be an emissions allowance or an assigned amount unit which was originally allocated or auctioned by the national administrators of a Kyoto-compliant cap-and-trade scheme, or it can be an offset of emissions. Once approved, these units are termed Certified Emission Reductions, or CERs. Carbon credits create a market for reducing greenhouse emissions by giving a monetary value to the cost of polluting the air. Emissions become an internal cost of doing business and are visible on the balance sheet alongside raw materials and other liabilities or assets.

EMISSIONS MARKET

For trading purposes, one allowance or CER is considered equivalent to one metric ton of CO₂ emissions. These allowances can be sold privately or in the international market at the prevailing market price.

CARBON MARKET PRICE

Yale University economics professor William Nordhaus argues that the price of carbon needs to be high enough to motivate the changes in behavior and changes in economic production systems necessary to effectively limit emissions of greenhouse gases. Nordhaus has suggested, based on the social cost of carbon emissions, that an optimal price of carbon is around \$30(US) per ton.

CREDITS VERSUS TAXES

Carbon credits and carbon taxes each have their advantages and disadvantages. Credits were chosen by the signatories to the Kyoto Protocol as an alternative to Carbon taxes. A criticism of tax-raising schemes is that they are frequently not hypothecated, and so some or all of the taxation raised by a government would be applied based on what the particular nation's government deems most fitting.

CARBON CREDITS TO CARBON POLYMERS

Carbon Polymers intends to process waste tyre hydrocarbons. If as anticipated these hydrocarbons are given the full value of carbon capture recognition, then our initial plant is capable of processing and capturing 40,000 tonnes of carbon per annum when fully optimised. It is envisaged that this plant will be one of a minimum of 3 plants nationally. Whatever the final trading cost of a CER, Carbon Polymers will be in a significantly better position to be rewarded for the recycling and capture of carbon.

8 Risk Mitigation Strategy

Integration Risk

- Comprehensive operational, financial and legal due diligence on all acquisitions.
- Experienced management team with a track record of delivering successful integration program.
- Retaining key management of target companies.
- Earn-out's / vendor scrip a feature of acquisition structures.
- Disciplined approach to acquisition pricing methodology.

Reliance on Key Personnel

- Systems and processes are in place to mitigate the risk of losing key personnel.
- Growth by acquisition will be a natural mitigation to Key Personnel risk.

OH&S

- Well defined and enforced systems, procedures and safety management system.

Industry Downturn

- Operate across a large number of high quality credit counterparties.
- Operate in a sector defined by government policy to subsidize the removal of waste

Access to Labor

- Being an “employer of choice”, and offering leading remuneration and work conditions.

9 Summary - – Carbon Polymers Group

- ✓ **Leveraged to the growing industry sector with a blue chip customer base.**
- ✓ **Significant organic growth opportunity from untapped capacity within its existing infrastructure and from industry consolidation.**
- ✓ **Product substitution into new markets**
- ✓ **Advanced polymers designed to outlast competing products and uplift sales**
- ✓ **Listed company with the potential for aggressive growth**
- ✓ **Hi tech facilities with disruptive technologies**
- ✓ **Diversified recycling capacity beyond hydrocarbons**

9 Summary - Solving the recycling puzzle

