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ANNOUNCEMENT 386

Market Announcements Office
Australian Securities Exchange
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Dear Sir,

First Carbon Farming ACCU's created by CO2 Australia and Newmont Australia

CO2 Australia, a division of CO2 Group, today announced it has been successful in realising the issue of Australian Carbon Credit Units (ACCU's) on behalf of Newmont Australia's Carbon Farming Initiative (CFI) Reforestation project.

"This is a major milestone for CO2 Australia, Newmont Australia and the carbon market more broadly, as it is the first time that ACCU's have been created in relation to carbon sequestration, a CFI eligible activity that actually removes greenhouse gases from the atmosphere," said Mr Andrew Grant, Chief Executive Officer of CO2 Group.

CO2 Australia is the leading developer of reforestation carbon projects within Australia, having established forests across four states on behalf of major corporations seeking to manage their greenhouse gas emissions.

"Newmont Australia are to be congratulated for proactively managing their greenhouse obligations and it is very satisfying to see their early investment in the market is now paying serious dividends," Mr Grant added.

The ACCU's were created using a Federal Government approved methodology developed earlier this year by CO2 Australia that allows carbon project proponents to account for carbon in reforestation and afforestation projects using field-based measurements.

"It's good to see, with the creation of these first ACCU's, that carbon credits are now starting to flow to projects that store carbon in forests," said Ms Yvette D'Ath, Parliamentary Secretary for Climate Change, Industry and Innovation. "These successful projects show that these projects are now a real and practical option for landholders, and provide another way that the CFI can help them to diversify their farm income and engage in Australia's carbon markets."

One of Australia's largest gold miners, Newmont Australia is pleased to realise the first ACCU's from its reforestation projects in WA and NSW as part of its portfolio approach to climate change.

"Newmont has a proactive climate change strategy and this milestone will assist us to meet some of our obligation under the carbon pricing mechanism," said Mr Bryan Williams, Principal Advisor Climate Change and Energy Efficiency at Newmont Australia.

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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).



“This announcement marks the culmination of CO2 Group’s ten-year investment in developing commercial-scale, carbon accounting systems,” said Dr James Bulinski, Director of CO2 Australia and manager of the carbon credit claim process. “We have now demonstrated we can successfully navigate all parts of the CFI program, from methodology development, through project registration, carbon accounting and the realisation of carbon credits.”

This achievement continues CO2 Group’s diversification strategy across environmental markets and follows the company’s successful expansion into the carbon advisory services sector, the launch of several international carbon projects and the purchase of Ecofund, a specialist environmental offsets provider.

“This is a great outcome for the CFI and demonstrates it is possible for credentialed private sector players to successfully enter the CFI on a commercially significant scale. We can expect to see the pace of ACCU generation accelerate over the next few months,” added Dr Bulinski.

CO2 Australia is expanding the use of its carbon accounting system to other strategic partners and actively encourages anyone who is interested in developing projects, or methodologies, under the CFI, to contact them to discuss partnership opportunities.

CO2 Australia is the country’s largest developer of reforestation-based carbon projects, having developed more than 26,400 hectares (or 39 million trees) of dedicated carbon plantings in Australia.

Yours faithfully,
CO2 Group Limited

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

Harley Whitcombe
Company Secretary

For more information visit www.co2australia.com.au

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About CO2 Australia

With more than 26,400 hectares under management across the country, plus 3,500 hectares of protected remnant native vegetation, CO2 Australia is the largest provider of dedicated carbon sink plantings in Australasia. The company currently manages landmark commercial contracts for Qantas Airways, Earing Energy, Macquarie Bank, Woodside Energy, INPEX Browse, Origin Energy, Newmont Mining and Wannon Water.