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4 December 2014

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SYDNEY NSW 2000

ANNOUNCEMENT 427

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Dear Sir

Commodities Group 2014 Annual Report Presentation

Enclosed is Commodities Group's 2014 Annual Report Presentation.

Please telephone Harley Whitcombe on (08) 9321 4111 with any queries on the Presentation.

Yours faithfully
Commodities Group Limited



Harley Whitcombe
Company Secretary

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A photograph of a conference room with a long, polished table and several black chairs arranged around it. The room is brightly lit, and the background is a large window showing a blue sky with scattered white clouds. The text is overlaid on this image.

Annual Report Presentation

December 2014

COMMODITIES GROUP LIMITED

COMMODITIES GROUP LIMITED

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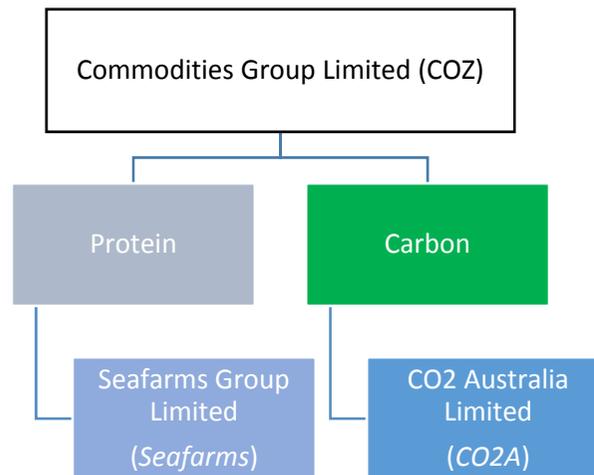
Commodities Group Limited – Corporate Overview

Corporate Overview	
ASX Listing Code	COZ
Market Capitalisation (at 30 September 2014)	\$38.6M
Shares on Issue	654 million
Convertible Preference Shares	30 million
Cash, debtors and inventories (at 30 September 2014)	\$12.2M
Debt (at 30 September 2014)	\$2.9M
Financial Year End	30 September
Directors' shareholdings	57.1%
Directors	Ian Trahar (Executive Chairman) Harley Whitcombe Chris Mitchell Paul Favretto
Company secretary	Harley Whitcombe

COZ Operating Businesses

Commodities Group Limited (CGL)

- Holds interests in two emerging internationally traded commodity areas:
 - Protein (Seafarms)
 - Carbon (CO2A)
- Seafarms & CO2A
 - have separate operating boards which contain members of the CGL Board
 - each maintains separate financial accounts
 - consolidated in CGL for ASX reporting



Commentary on overall result for FY14

		FY14	FY13
Profit/(Loss) per accounts		(8,045)	(10,735)
Add Back:	PSD Development Costs	4,726	4,307
	CO2A Restructure Costs	2,726	0
Normalised loss before tax:		(554)	(6,428)
Sales:			
	CO2 Australia	18,488	44,528
	Aquaculture	4,944	0
Total Sales #		23,432	44,528
Net Assets:			
	CO2 Australia	19,494	18,262
	Aquaculture	15,249	1,516
	Commodities Group	4,911	16,470
Total Net Assets		39,654	36,248

Reduction in revenue as a direct result of carbon sink plantings all being completed in 2013 as well as significantly lower carbon sales due to Federal Government carbon policy changes.

CO2 Australia (CO2A) Overview and Outlook

- Restructuring of business substantially completed during the FY14.
- Further cost savings (up to \$600K pa) and asset sales (up to \$3M) scheduled for FY15.
- Overall business group generated EBITDA of \$2.1M. The FY15 outlook is for improved EBITDA on reduced capital employed.
- The CO2A business group remains an important source of cash flow for funding the aquaculture strategy. It should be noted that CO2A business has contracted management fee incomes up to the end of 2061 financial year with current annual income levels of approximately \$1.9M.
- Significant carbon policy movement by the US and China should provide further implications to Australia's current carbon policy. FY15 is the year which countries are scheduled to make new commitments on carbon.

Seafarms: an overview

- Seafarms has had a company defining year:
 - undertaken significant acquisitions;
 - commenced farming operations;
 - continued to advance its major greenfields project (Project Sea Dragon); and
 - awarded a major R&D grant.
- Seafarms is now currently the largest producer of farmed prawns in Australia.
- Seafarms is well advanced in the planning for the development of Project Sea Dragon - a large-scale, land-based prawn aquaculture project in northern Australia designed to produce high-quality, year-round reliable volumes for export markets.



Seafarms Financial & Key Metrics FY14 – Farming Operations

Key Metrics		Comments
Revenue (Prawns)	\$4,944,453	11.4% ahead of acquisition budget, in spite of higher than expected CAPEX costs for repairs and upgrades
Production area	128 ha	Cardwell operation only#. Coral Seafarms acquisition will add an additional 32 ha.
Production (kgs)	683,882 kgs	'Legacy' crop inherited at acquisition. Normalised year production 1,100,000 kgs.
Production staff	82 persons	As of September 2014
Processing capacity	20 tonnes/day	Achieved increased processing capacity by 100% in FY14.
EBITDA	\$894,305	Feed, power, labour costs. Not all product was sold during FY14.

Cardwell operation purchased in January 2014

Seafarms – Commentary on FY14 result and Outlook

Seafarms operations

- The acquisition of Cardwell represents the first major investment by Seafarm in cash producing assets.
- The legacy crop inherited by our operations team presented significant challenges due to the run down state of operating assets which were highlighted during due diligence and reflected in the purchase price.
- In spite of capacity constraints and higher than expected repairs and maintenance, the operations team performed at 11% better than the company's acquisition budget.
- During the 2014 year, the company's strategy of sweating the fixed asset base by doubling production resulted in substantial investment in the following key areas:
 - Increased processing capacity by 100% to 20 tonnes per day;
 - Changed from 1 to 2 crops per year;
 - Upgrading hatchery facilities to enable a product run rate of 1600 tonnes per annum ;
 - Implementation of OH&S, detailed operation and financial reporting systems;
 - Management review resulting in the recruitment of seven new experienced international operations personnel with large scale shrimp production and processing backgrounds;
 - Commencement of the prawn domestication and breeding program using Northern Territory brood stock;
 - Completing 100% back up power supply for Cardwell;
 - Addition of MAP tray packaging in response to mass merchant demand.
- The 2015 year will witness significant stock keeping unit (SKU) expansion as our branded Crystal Bay product occupies increased ranging through our mass merchant customers.
- Seafarms is in an advanced stage of obtaining the necessary export approvals and will commence export sales scheduled for second quarter 2015.

Seafarms – Commentary on FY14 result and Outlook

Outlook

- The outlook for Cardwell operations is strongly focused on the 31 March half year, which will reflect the important Christmas and Easter sales period;
- The post-balance date acquisition of Coral Seafarms has built our Cardwell operations hub to 158 hectares of production ponds, making the facility the single largest prawn aquaculture producer in Australia;
- By March 2015, our plan is to produce at an annualised run rate of circa 1,600 tonnes per annum;
- Seafarms is continuing to evaluate further opportunities to expand its Cardwell hub and to develop additional production hubs in north Queensland.

Research and Development

- CSIRO Relationship Agreement – Aquaculture R&D
- Black Tiger Prawn Genome Project – Industrial Transformation
- Research Hub (ITRH) – awarded ARC funding June 2014:
 - Seafarms is exclusive industry participant;
- groNorth (formerly Northern Agri CRC) – currently under review:
 - Seafarms is industry partner.

Project Sea Dragon – the Project

- Large-scale, integrated, land-based aquaculture project in northern Australia producing global scale volumes of Black Tiger Prawns – a high quality/high value seafood commodity – for export markets.
- The Federal Government has recently signed 3 free trade agreements with Australia’s major trading partners who are also large consumers of prawns. The free trade agreements will reduce import tariffs into those countries by between 8% and 10% and the recent reduction in the Australian dollar will increase opportunities in export markets.
- 10,000 hectare growout farm supported by:
 - Feed mill
 - Hatchery & Broodstock facility
 - Power Station
 - Processing Plant
 - Storage/Export facilities
- Development in 3 stages
 - Stage 1
 - 1,000ha growout + head works
 - Imported feed
 - Hatchery (Darwin)
 - Processing (on site)
 - ~ \$150M CAPEX
 - Forecast financial returns are robust
 - Revenues \$160M
 - Forecast IRR >40%



Project Sea Dragon (PSD) FY14

The FY14 year saw substantial progress on PSD with the completion of the following important project development milestones:

- The Company completed the pre-feasibility study encompassing:
 - Energy supply;
 - Logistics;
 - Production planning;
 - Asset locations;
 - Government approvals pathways;
 - Indigenous engagement;
 - Scoping all aspects of project approvals;
 - Earthworks modelling;
 - Workforce accommodation; and
 - Water balance modelling.
- The building of the Cardwell production hub is a de-facto pilot project which has enabled the following important building blocks to be established for the development of PSD:
 - Developing and expanding the Company's production capability to undertake PSD by:
 - Management recruitment;
 - Systems and processes;
 - Science; and
 - Brand and product range expansion for export markets.

Project Sea Dragon (PSD) FY15

Outlook

- Upon the finalising of preferred sites and securing tenure, the objectives for FY15 for Project Sea Dragon are:
 - Commencement of the BFS and EIS processes;
 - Engagement with potential partners;
 - Securing project financing in concert with a project partner;
 - With major feasibility studies now complete, expenditure will be minimised until land tenure and project partner are secured and financing in place;
 - Continued engagement with potential product offtake partners - both domestic and international.