

REVESCO GROUP LIMITED

ABN 50 009 317 846

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Perth Western Australia 6000
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Phone: (08) 9321 4111 Fax: (08) 9321 4411

Our Ref: RGL ASX Announce New Business 03-08-04 (63)

03 August 2004

ANNOUNCEMENT NUMBER 63

Company Announcements Office
Australian Stock Exchange
10th Floor
20 Bond Street
SYDNEY NSW 2000

Dear Sir,

**RE: Revesco Group Limited
Change of Activities**

Revesco Group Limited ("Revesco") is pleased to announce that it intends changing its activities from a mineral resources exploration company to a company involved in the business of providing environmental services including carbon sequestration through the establishment of large scale, long term mallee eucalypt plantations.

The aim is to become the leading Australian based participant in the provision of carbon credits for clients, under the trade mark CO2 AUSTRALIATM.

Enclosed is Revesco's Notice of Meeting and Information Memorandum detailing the proposed change to shareholders.

The meeting of shareholders has been called for Thursday, 2nd September 2004.

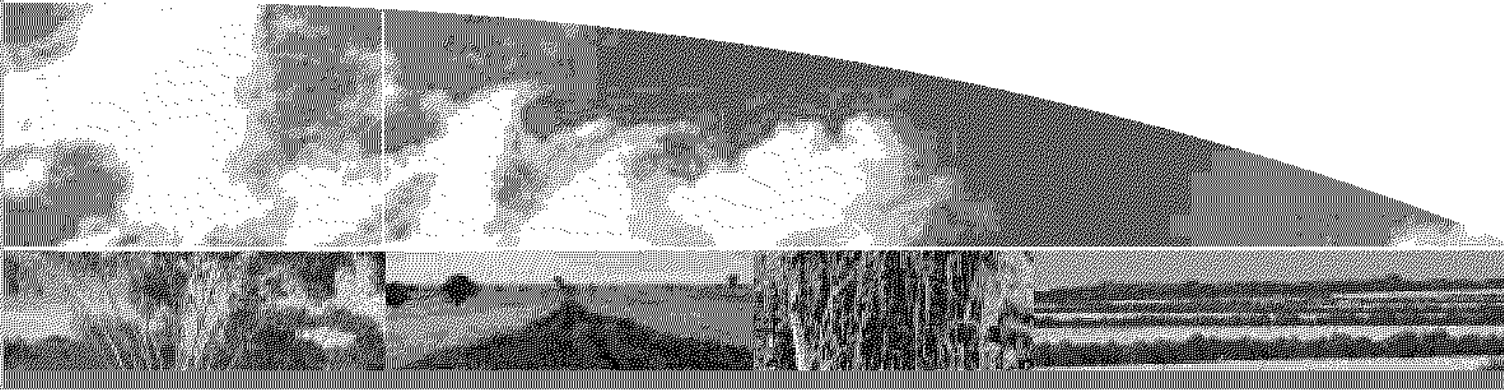
The Notice of Meeting and Information Memorandum will be posted to shareholders today.

The directors have requested the Australian Stock Exchange suspend trading in Revesco's securities until 4 August 2004 to enable current and prospective investors the opportunity to consider the change in activities.

Should you have any queries in this matter, could you please telephone Harley Whitcombe on (08) 9321 4111.

Yours sincerely,

Harley R. Whitcombe
Company Secretary
ENC



REVESCO GROUP LIMITED

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INFORMATION MEMORANDUM

This is an important document.
If you are in any doubt as to the
action required, please consult
your professional adviser

Meeting documentation for an
Extraordinary General Meeting
of shareholders to be held at 10.00am
on Thursday, 2 September 2004 at
The Forrest Centre, Conference Room 2,
Level 14, 221 St Georges Terrace,
Perth, Western Australia

REVESCO GROUP LIMITED

CORPORATE DIRECTORY

DIRECTORS

Ian Norman Trahar
Harley Ronald Whitcombe
James McAuliffe

COMPANY SECRETARY

Harley Ronald Whitcombe

SOLICITORS TO REVESCO

Freehills
QV1 Building
250 St George's Terrace
Perth, Western Australia 6000

Baker & McKenzie
Level 26 AMP Centre
50 Bridge Street
Sydney, New South Wales 1223

REGISTERED OFFICE

Level 11
225 St George's Terrace
Perth, Western Australia 6000
Telephone: (08) 9321 4111
Facsimile: (08) 9321 4411
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SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 2
Reserve Bank Building
45 St George's Terrace
Perth, Western Australia 6000
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

STOCK EXCHANGE LISTING

Revesco Group Limited is listed on
Australian Stock Exchange Limited.
ASX Code – RGL

Company website
www.co2australia.com.au



CO2 AUSTRALIA™

*"Pollution stems from a fundamental
failure of markets to incorporate the full
cost of economic activities"*

G Hardin (1968)

CO2 AUSTRALIA™

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3 August 2004

CHAIRMAN'S LETTER

Dear Shareholder

The board of Revesco has made it clear for some time that it is seeking new business opportunities outside the scope of its current ASX classification as a mineral exploration company.

For the past 24 months your board and management has concentrated its efforts in seeking commercial opportunities within the broad discipline of environmental sciences, and has identified a significant and growing opportunity and now seeks your approval to change the nature of its activities and progress with this new exciting business opportunity.

The new business model involves serving the needs of industries by assisting in the achievement of greenhouse gas emission reductions as part of addressing the adverse impacts of global warming.

Revesco's new CO₂ AUSTRALIA™ carbon sequestration business will be led by CO₂ Australia Limited, a wholly owned subsidiary of the company, in association with its joint venture partner, with the aim of becoming a leading Australian based participant in the provision of "carbon credits" for clients.

The CO₂ AUSTRALIA™ carbon sequestration business involves the establishment of large scale, long term (100+ years) mallee eucalypt plantations. The carbon dioxide absorbed by the growing of trees is removed from the atmosphere and converted into biomass (roots, stems, foliage) of the tree through the process known as carbon sequestration. The amount of carbon sequestered can be measured to give a defined unit, typically in tonnes of carbon dioxide equivalent ("CO₂e").

The carbon sequestered can be used to generate carbon credits under mandatory and voluntary programs for emission reductions. These carbon credits can be sold to participants in these programs to offset against emission reduction targets.

Importantly, unlike other plantation forestry activities, plantations will not be subject to any form of harvesting, and will remain a permanent addition to the national forestry estate.

Revesco has already conducted considerable research and test marketing of its programs and is confident that a sustainable and profitable business can be developed in the short to medium term.

Revesco is well capitalised to fund the ongoing commercialisation of the CO₂ AUSTRALIA™ program with net cash resources in excess of A\$12.5 million and no debt as at 30 June 2004.

The Board also believes that if shareholders approve the change of activities it will be fitting for Revesco to change its name to reflect its new focus. This will assist in marketing the new business to potential clients and the building of a reputation in the industry. Accordingly, Revesco is seeking shareholder approval to change Revesco's name to CO₂ Group Limited following the meeting.

With respect to Revesco's residual mineral exploration activities, the board will be addressing mechanisms to enhance shareholder value consistent with divestment by Revesco of its interest in those activities.

We recommend shareholders review the executive summary, information memorandum and resolutions attached and support your board's recommendation to vote for all resolutions.

Yours sincerely

REVESCO GROUP LIMITED

IAN N TRAHAR
Chairman



IMPORTANT INFORMATION

SUMMARY OF RESOLUTIONS

Resolution 1 – Approval of change of activities

To approve a change in activities of Revesco from a mineral resources exploration company to a company involved in the business of providing environmental services including carbon sequestration, described in detail in section 2.

Resolution 2 – Approval of issue of Options

To approve the issue of options to persons who will be instrumental in the development of the new business venture. In total, 9,399,998 options will be issued to employees and contractors of Revesco. The options are on the same terms as Revesco's existing listed options and are exercisable at 12 cents each on or before 12 November 2011 (Options) (see Annexure A for the full terms of the Options).

Resolution 3 – Approval of change of name

To approve the change of name from Revesco Group Limited to CO2 Group Limited to reflect the proposed new activities and allow effective marketing of the new business.

Please see accompanying notice of meeting for the full text of the resolutions.

DIRECTORS' RECOMMENDATION

All of the directors of Revesco are in favour of the change in business activities proposal and the issue of Options and believe them to be in the best interests of shareholders.

The directors recommend you vote "FOR" each of the resolutions by completing the enclosed proxy form or attending the meeting.

KEY DATES

Last date for acceptance of proxies 10am WST, 31 August 2004

Record date for voting entitlement 10am WST, 31 August 2004

Shareholders' meeting 10am, 2 September 2004

ACTION REQUIRED BY SHAREHOLDERS

STEP 1: READ THE NOTICE OF MEETING AND THE INFORMATION MEMORANDUM

This information memorandum sets out Revesco's proposed change of business activities to the carbon sequestration business. This information is important. You should read this document carefully and if necessary seek your own independent advice on any aspects about which you are not certain.

STEP 2: VOTE ON THE RESOLUTIONS

Your vote is important. The Revesco shareholders' meeting is scheduled for 10.00am, 2 September 2004. You can vote by attending at the meeting or, if you do not propose to attend the meeting, by completing the personalised proxy form that accompanies this document and returning it in the reply paid envelope or by posting, delivering or faxing the proxy form to the Revesco Group Limited share registry at the address set out in the instructions on the proxy form, so as to be received before 10.00am WST, 31 August 2004.

For details on how to complete and lodge the personalised proxy form please refer to the instructions on the proxy form.

QUESTIONS?

If you have any questions about any matter contained in the notice of meeting and information memorandum, please contact the Information Line on (08) 9321 4111, between 9.00 am and 5.00 pm (WST) Monday to Friday. Information on the change in business activities proposal will also be available on Revesco's website at www.co2australia.com.au.

1. EXECUTIVE SUMMARY

1.1 OVERVIEW OF THE PROPOSAL

The proposal involves the development of a carbon sequestration business through the establishment of large scale, long term mallee eucalypt plantations (referred to as "Revesco's CO₂ AUSTRALIA™ Carbon Sequestration Program"). The aim is to become a leading Australian based participant in the provision of carbon credits for clients, under the trade mark CO₂ AUSTRALIA™.

Revesco's CO₂ AUSTRALIA™ Carbon Sequestration Program focuses upon opportunities for above average shareholder returns by developing a series of products based upon biomass carbon sinks for the provision of greenhouse gas emission reductions; this activity can be generalised as the "carbon credits" business.

Climate change and particularly carbon dioxide ("CO₂") emissions are of global significance. Increasingly, governments, both domestically and internationally, are implementing mandatory CO₂ emissions reduction programs enforced via various policy tools for non-compliance including taxation and penalties, in order to achieve permanent emission reductions.

These actions by governments are occurring despite the uncertainty about the full ratification of the Kyoto Protocol.

Domestically, legislation such as the New South Wales Greenhouse Gas Abatement Scheme, the Queensland Government GEC Scheme and the Commonwealth Government's Mandatory Renewable Energy Targets legislation have legislated penalties for non-compliance with allocated CO₂ emission reduction targets between A\$11 – A\$40 per tonne of carbon dioxide equivalent (CO₂e), escalating into the future. Entities falling under these schemes have three options i.e. to comply, to buy carbon credits or pay the penalties. Importantly, due to the scarcity of available carbon credits, these markets are trading at near their penalty rates for non-compliance. These penalties are paid to the government enacting the relevant legislation.

Internationally, the European Union's mandatory emissions trading scheme becomes operative on 1 January 2005 and legislated penalties for non-compliance with allocated emissions reduction targets range from €40 (A\$68) per tonne of CO₂e between 2005 – 2007 increasing to €100 (A\$170) per tonne of CO₂e post 2007. The penalties are paid to the governing body of the European Union.

To meet their emission reduction targets and avoid paying the penalties to the relevant governments, participants in the schemes such as the above can reduce their emissions through internal or external abatement activities. Internal abatement activities include technological innovation to reduce the emissions associated with a given level of output. External abatement activities include carbon sequestration through plantation forestry i.e. carbon sinks.

A number of the mandatory emission reduction schemes allow the generation of carbon credits through carbon sequestration activities (subject to certain requirements). Instead of actually undertaking the carbon sequestration activities themselves, participants in the schemes can purchase these carbon credits. Participants can offset the carbon credits against their emissions in order to satisfy their emissions targets, thereby avoiding paying the applicable penalty to the relevant government.

Corporations are also taking voluntary measures to reduce their greenhouse gas emissions. These measures include carbon sequestration activities, so there is also the potential to sell carbon credits to such companies.

Revesco's CO₂ AUSTRALIA™ Carbon Sequestration Program is not Kyoto Protocol ratification dependent; Revesco's corporate focus is upon existing mandatory markets and the increasing voluntary emissions reduction activities of large corporations within Australia.

Should the Kyoto Protocol be ratified, the company has positioned itself through current corporate relationships both in Japan and Europe to capitalise on an expected rush of demand.

Revesco's CO₂ AUSTRALIA™ Carbon Sequestration Program is based upon a number of key commercial drivers:

- Significant domestic market demand volumes with favourable pricing dynamics, currently A\$11.00 per tonne CO₂e (not Kyoto dependent);
- Substantial international market demand with pricing currently A\$17.60 per tonne CO₂e (not Kyoto dependent);
- A sequestration program that is domestically and internationally a comparatively low cost CO₂ emissions abatement solution;
- A sequestration program with substantial scalability and low sovereign risk;
- An internationally recognised carbon sequestration program;
- Revesco has secured a strong and experienced carbon sink operational team to execute the program; and
- Revesco's sequestration program has significant legal and operational barriers to entry by competitors.

Carbon sequestration programs of the type proposed by Revesco have substantial collateral environmental benefits,



1. EXECUTIVE SUMMARY continued

positively addressing dryland salinity, soil erosion, water catchments and biodiversity. These environmental issues are well documented by Australian state and federal governments. For example, with respect to dryland salinity and declining water quality, the Federal Government has stated that "these are two of the most serious resource management issues threatening Australia's rural industries, regional communities and our unique environment".

Carbon credits as an international market traded commodity must today be regarded as an "emerging market" and as such, will display volatile pricing and be subject to uncertainty, speculation and regulatory intervention. Revesco believes however that climate change as it relates to CO₂ emissions reduction will be a permanent change as economies adjust to a "carbon constrained" world.

Preliminary marketing of Revesco's CO₂ AUSTRALIA™ Carbon Sequestration Program has resulted in a positive market response with some 80,000 hectares of carbon sinks demanded, this response will require an operational scaling up over the next 3 – 4 years.

1.2 EFFECT OF THE RESOLUTIONS

Resolution 1 – Approval of change of activities

Resolution 1 seeks shareholder approval for a change in Revesco's activities from a mineral resources exploration company to a company involved in the business of providing environmental services including carbon sequestration. Details of the proposed new business are set out in section 2.

ASX Listing Rule 11.1 requires shareholder approval for the proposed change in activities.

If Resolution 1 is passed, Revesco will be authorised to pursue the new CO₂ AUSTRALIA™ carbon sequestration business as its main undertaking and develop other related environmental services activities in the future as considered in shareholders' interests.

ASX has advised that, subject to shareholder approval being obtained for the change of activities and Revesco meeting the requirements of chapters 1 and 2 of the Listing Rules, Revesco will be re-admitted to the official list of the ASX and classified as an industrial company.

Resolution 2 – Approval of issue of Options

Resolution 2 seeks shareholder approval of the issue of 9,399,998 Options to employees and contractors who will be instrumental in the development of the new business venture.

None of the Options are being issued to directors of Revesco or their associates.

Under Listing Rule 7.1 Revesco may issue up to 15% of its issued capital in a 12 month period without obtaining shareholder approval. The approval for the issue of the Options will preserve Revesco's ability to issue securities to raise funds without obtaining shareholder approval. Given the developmental nature of the business, the flexibility to raise funds quickly and without the associated costs of a shareholder meeting is considered important by your board.

More details in relation to the proposed issue of Options are contained in section 4 of this information memorandum.

Resolution 3 – Change of name

Resolution 3 seeks shareholder approval for the change of name of the company from Revesco Group Limited to CO₂ Group Limited following completion of the meeting.

The change of name is to reflect Revesco's proposed new activities so as to allow effective marketing of the new business. It is hoped the new name will be uniquely associated with Revesco's anticipated success in the provision of carbon credits and will become a valuable asset as the business develops.

Resolution 3 is a special resolution.

1.3 DIRECTOR RECOMMENDATIONS

All the directors of Revesco are in favour of the change in business activities proposal and the issue of Options and recommend that you vote in favour of all resolutions as they believe them to be in the best interests of Revesco and its shareholders.

All directors who are entitled to vote have advised that they intend to vote in favour of both resolutions.

1.4 VOTING EXCLUSIONS

Any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if Resolution 1 is passed, and any associates of those persons, cannot vote on Resolution 1.

Any person who may participate in the issue of Options and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if Resolution 2 is passed, and any associates of those persons, cannot vote on Resolution 2.

However, the above exclusions do not prevent the casting of a vote by one of those persons if it is cast as proxy in accordance with the directions on the proxy form on behalf of a person who is entitled to vote.

2. DETAILS OF THE PROPOSAL

2.1 INTRODUCTION

As mentioned earlier, the proposal involves the development of a carbon sequestration business through the establishment of large scale, long term (100+ years) mallee eucalypt plantations. The aim is to become a leading Australian based participant in the provision of carbon credits for clients. Details of the proposal are provided below.

2.2 A GROWTH MARKET WITH SIGNIFICANT POTENTIAL FOR REVESCO

More than just Kyoto

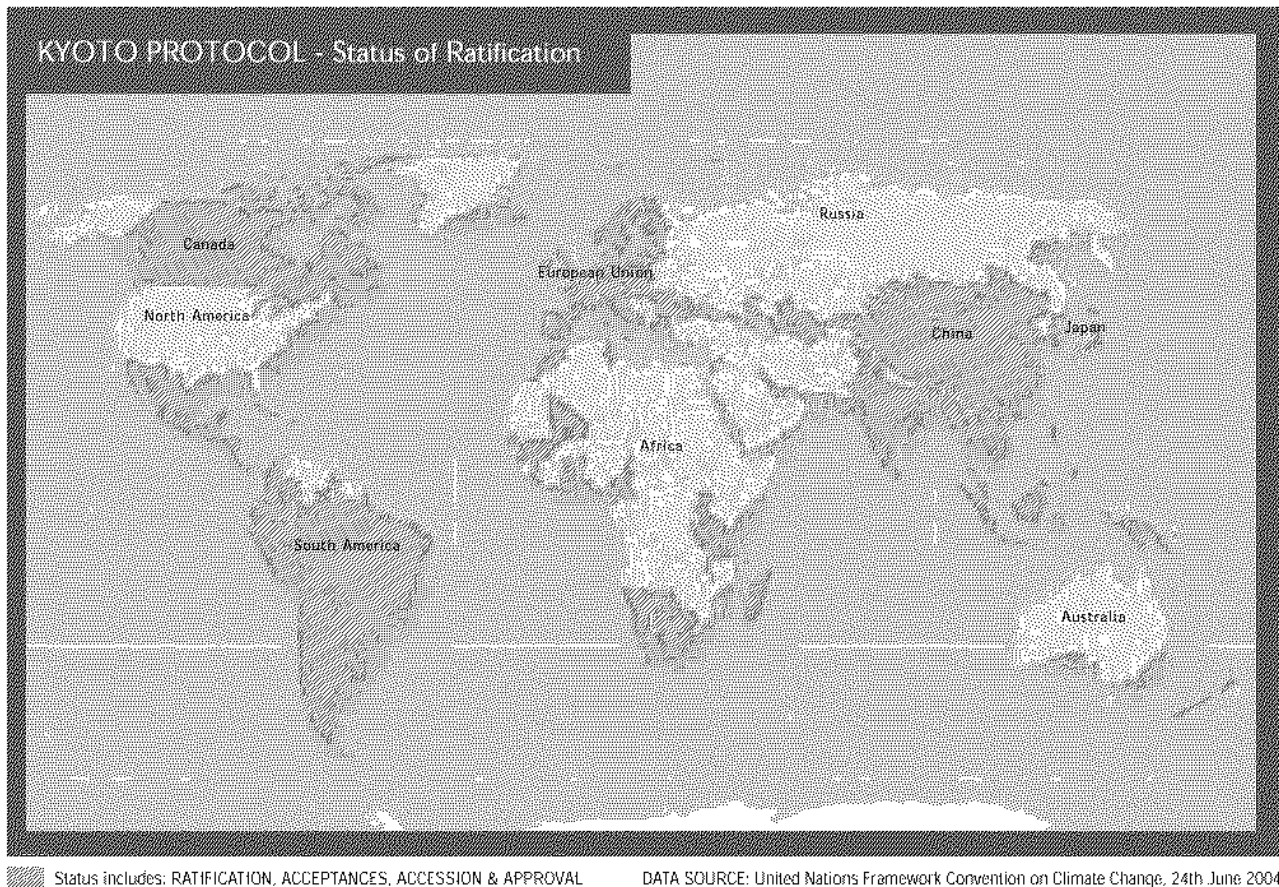
Over the past two decades climate change attributable to global warming has attracted significant global attention. In 1997, the landmark Kyoto Protocol was established, which outlined an international framework for legally enforceable emissions targets to be imposed on industrialised countries. Following statements by President Putin in May 2004 that Russia will expedite its ratification process, the Kyoto Protocol is expected to come into force despite the fact that the United States and Australia have not ratified it, nor shown an inclination to ratify it. The Kyoto Protocol will only apply to countries which ratify it.

Contrary to current perceptions in Australia, the ratification of the Kyoto Protocol no longer figures significantly in international climate change discussions. Governments, both domestically and internationally, are aiming to reduce greenhouse gas emissions by implementing legislation to establish mandatory CO₂ emission reduction programs enforced via various policy tools such as taxation and legislated penalties. This new regulatory environment is commonly referred to as the "carbon constrained global economy". The map on the following page summarises actions taken by some key industrialised countries.

The entry into force of the Kyoto Protocol will, if it eventuates, provide globally agreed emissions reductions targets and an internationally recognised common platform for the development of tradeable carbon credits. While not critical for the development of the carbon credits industry in Australia, should the Kyoto Protocol be ratified by Australia and come into force, there would be substantial additional upside for Revesco as carbon credits generated by forestry plantations in Australia could then be traded onto world markets to allow member countries to meet their emissions targets. This would vastly increase demand for carbon credits to be generated by Revesco's sequestration projects.

The Australian Federal Government has indicated that at present it does not intend to ratify the Kyoto Protocol. In contrast, the Australian Labor Party, Democrats and Green Party have all called for the ratification of the Kyoto Protocol. The Australian Federal Government's opposition to the Kyoto Protocol is also not supported by the State and Territory Governments. Many States have announced strong positions contrary to the Federal Government's position and have urged the Federal Government to ratify the Kyoto Protocol.

Within Australia there are already a vast array of voluntary and mandatory policy measures aimed at reducing greenhouse gas emissions. Recent measures include the Mandatory Renewable Energy Target, mandatory regulation of electricity retailers in New South Wales and the Queensland Government's 13 Percent Gas Scheme. The Australian Federal Government's voluntary initiatives include the Greenhouse Challenge, Greenhouse Gas Abatement Scheme and the Greenhouse Friendly Program. The mandatory emissions reduction obligations in certain States of Australia and the increasing voluntary emissions reductions by large corporations in Australia provide an attractive and highly profitable market for Revesco even without ratification of the Kyoto Protocol.



CANADA

Regulatory environment

- Ratified Kyoto Protocol. National emissions reduction commitment of 6% below 1990 levels
- Limited domestic emission trading opportunities. USA SOx-style cap & trade program considered most likely
- Moderate but increasing corporate awareness

UNITED STATES

Regulatory environment

- Federal Government has rejected Kyoto Protocol
- Election in November 2004. Presidential candidate, Democrat, John Kerry, has called for a cap & trade emission scheme
- Increasing state-level action to regulate greenhouse emissions
- Considerable Congressional support for action
- Industry and state led initiatives to develop emission trading markets
- Moderate but increasing corporate awareness
- Number of corporates initiating voluntary approach

AFRICA

Regulatory environment

- Generally supportive of Kyoto Protocol, no commitment to reduce greenhouse profile designated as developing countries
- Potential use of Kyoto's flexible mechanisms JI or CDM's offset projects
- Limited corporate awareness

SOUTH AMERICA

Regulatory environment

- 8 of 12 South American Nations have ratified Kyoto, however, their designation as developing countries exempts them from immediate reduction obligations
- Potential for the use of Kyoto's flexible mechanisms JI or CDM's offset projects
- Number of early state national programs being developed

EUROPEAN UNION

Regulatory environment

- EU member states have ratified Kyoto. Greenhouse commitment is 8% below 1990 levels
- Emission Trading Scheme commences January 2005. Penalty for non-compliance €40/tonne of CO₂e rising to €100/tonne of CO₂e
- UK greenhouse trading scheme commenced in April 2002. UK Government committed to reducing emissions by 60% by 2050
- Dutch and Danish Governments already have pilot schemes in operation
- Corporates highly aware of carbon constrained economy
- Cost-effective reduction strategies under review

AUSTRALIA

Regulatory environment

- Federal Government rejected Kyoto Protocol
- Election due over coming months. The Australian Labor Party, Democrats and Greens have called for the ratification of the Kyoto Protocol
- Focus on voluntary actions and technology innovations and developments
- Increasing state based regulatory restrictions in place and/or being developed
- A number of mandatory emission trading schemes already in place
- Corporate awareness moderate to high

RUSSIA

Regulatory environment

- Russia has stated that it intends 'fast-tracking' its ratification of the Kyoto Protocol
- If Russia ratifies, the Kyoto Protocol will become international law and leave just USA and Australia as the only two developed countries that haven't ratified

CHINA

Regulatory environment

- China has ratified Kyoto, however their designation as a developing country exempts them from immediate reduction obligations
- Potential for use of Kyoto's flexible mechanisms JI or CDM's offset projects
- Limited corporate awareness

JAPAN

Regulatory environment

- Has ratified Kyoto Protocol. Target to reduce greenhouse emission profiles to 6% below 1990 levels
- Considering introduction of carbon tax/levy on imports in 2005
- Plans to commence national emission trading scheme in 2005. A number of regional trading systems already under development
- Corporate awareness is very high, and many are taking actions to reduce greenhouse emission profiles

The requirement to reduce greenhouse gas emissions will have a significant impact on corporate performance

The commercial and financial impact of international climate change is starting to be felt through government, legislative, corporate and investor driven behaviours and various actions in Australia and internationally. Many industrialised countries have already commenced implementation of measures for mandatory reductions in greenhouse gas emissions as well as establishing emissions trading schemes. They have done so despite the continuing uncertainty regarding whether the Kyoto Protocol will become enforceable by international law.

Corporate behaviour is being altered not only by legal actions both by governments and private individuals, but by mainstream institutional investment requirements for "green" and environmentally sustainable investments. Boards are facing ever increasing corporate governance obligations in relation to environmental issues, including greenhouse gas emissions. Systems for allocating responsibility for emission reductions and taxing greenhouse gas emissions are being developed and governments, customers and community groups are targeting emitters and new projects to ensure these issues are adequately addressed. The more astute in the financial community such as the major international banks as well as the four big Australian banks, are already factoring in the future risks and costs associated with these issues when making important financial decisions.

The financial impact of reducing emissions is perhaps best illustrated in relation to the following mandatory emissions reductions schemes.

In 2003, the New South Wales government established the New South Wales Greenhouse Gas Abatement Scheme which imposes mandatory emission reduction obligations on New South Wales electricity retailers and large energy users over

the period 1 January 2003 to 31 December 2012. There is also the potential for the scheme to be extended, so it may operate beyond 2012.

Under the scheme, monetary penalties starting at A\$10.50 per tonne of CO₂e (non tax-deductible and escalating annually at CPI) apply for failure to meet the pre-determined emissions levels. The penalties are to be determined at the end of each calendar year and the penalty paid to the New South Wales government. Over the current life of the scheme, emissions reductions of 170 million tonnes are required and so this scheme alone requires reductions having a notional value of approximately A\$1.8 billion. Other State governments are investigating similar and new schemes to promote emissions reductions. The Australian Capital Territory government announced on 23 June 2004 that it is to introduce an emissions trading bill to link with the New South Wales legislation from 2005.

Internationally the European Union's mandatory emissions scheme becomes operative on 1 January 2005 and legislated penalties for non-compliance with allocated emissions reduction targets range from €40 (A\$68) per tonne of CO₂e between 2005 - 2007 increasing to €100 (A\$170) per tonne CO₂e post 2007. As for the New South Wales Greenhouse Gas Abatement Scheme, penalties are determined at the end of each year and are required to be paid to the governing body of the European Union.

Addressing greenhouse gas emissions issues is no longer an esoteric concept. It is having an impact on corporate operations and the momentum is growing substantially as is illustrated through the trends and examples provided in the following table.

TREND	EXAMPLES
Over 122 governments have acknowledged the importance of addressing climate change. Many governments including Australia and the UK have committed to meeting Kyoto targets although Kyoto is not in force	- Despite its current stance on ratification of the Kyoto Protocol, Australia's federal government has publicly committed Australia to meeting its Kyoto Protocol target of 108% of its greenhouse gas emissions in 1990. - In February 2003 the UK government committed to reducing the emissions of greenhouse gases there by 60% by 2050.
Shareholders and investor organisations are demanding increased disclosure by their companies of how their operations are affected by climate change and how they intend to address climate change	- Earlier this year many substantial international funds managers and institutional investors, who together invest over US\$10 trillion in assets, established the Carbon Disclosure Project. The Carbon Disclosure Project targets the world's 500 largest companies and requests them to disclose their efforts to address climate change issues. Over the last 12 months signatories to the Carbon Disclosure Project have grown by 250%. - In the most recent round of shareholder meetings in the US, shareholders put "global warming resolutions" seeking disclosure on climate change issues and measures to address them to 31 major public companies. The level of shareholder support for these resolutions has more than doubled since 2000.



2. DETAILS OF THE PROPOSAL continued

TREND	EXAMPLES
An increasing number of companies are monitoring their emissions and some are factoring shadow prices into their investment decisions	The Carbon Disclosure Project survey indicated that 65% of companies in the high impact sectors are now measuring and reporting their greenhouse gas emissions profiles. For example, Pacificorp (a US subsidiary of Scottish Power) has disclosed that it uses a range of carbon prices of up to US\$40 per tonne of CO₂e in its integrated resource planning process.
Major international and Australian banks are incorporating environmental and climate change risk analysis into their lending policies	26 major international banks including some Australian banks have subscribed to the "Equator Principles" which require an initial screening process against environmental criteria (including greenhouse gas emissions) for projects in excess of US\$50 million. If a project falls within the higher risk categories then financing will not proceed until an environmental assessment is carried out.
Socially responsible investment funds are becoming more prevalent globally	- It has been estimated that in the US, 1 in 8 dollars is invested with socially responsible investment funds. - In Australia an estimated A\$2.6 billion is invested in socially responsible investment funds.
Major financial institutions are examining opportunities related to climate change	- A number of the international banks are actively establishing new or expanding existing environmental financial products divisions to target opportunities in the emerging low carbon business sector, for example, renewable energy projects. - A number of the major Australian banks have developed watching briefs in relation to climate change and climate finance and one has established an Environmental Markets Group to focus on carbon credits opportunities and Australia's renewable energy certificate market.
Funds are being established for investment in emissions reductions measures	- Numerous carbon funds are being established including the Prototype Carbon Fund (US\$180 million), Community Development Fund and BioCarbon Fund. These funds are public-private partnerships which invest in greenhouse gas emission reduction projects. Funds primarily target projects in developing countries. For example the BioCarbon Fund will invest in sequestration projects and repay investors in carbon credits. - A number of major international banks have also established carbon funds.
There is increasing recognition of the need to generate energy through renewable sources	- The amount of electricity sourced from renewable energy is projected to rise by 9 – 10% annually. - Europe aims to generate 50% of its energy needs from renewable sources by 2050. - Australia has implemented the Commonwealth Mandatory Renewable Energy Target scheme. - The growth in renewable energy sources and other technologies reflects a unique convergence of global trends that are catalysing demand for more efficient and cleaner power generation. The World Energy Council reports that this trend will continue and that the global demand for renewable energy will increase to US\$1,900 million by 2020.

Many companies are responding to the challenge now

This emergence of the measures mentioned above in relation to greenhouse gases and their impact on the economy (otherwise known as a "carbon constrained global economy") has led to changes in company behaviour. Many multinational companies are implementing actions now in order to prepare for the impending changes to the environment in which they operate. These actions include:

- acknowledging publicly that climate change represents risk and/or opportunity which must be addressed;
- establishing multi-disciplinary teams to manage the growing climate-risk management issues, signifying the continued belief that carbon risks must be appropriately managed;
- engaging in emissions trading to test the market and hedge future exposure to carbon taxes;
- commencing to incorporate shadow carbon prices into their decision making processes to reflect the true costs of business decisions;
- investing significantly in research and development programs, with particular focus on technology innovations and development that will enable cost effective reductions of greenhouse emissions; and
- investing in programs to hedge the actual or potential exposure to carbon taxes through carbon trading or carbon sequestration.

In Australia and other industrialised countries, the form and timing of impending regulation, uncertainty regarding State versus Federal versus international approaches, price discovery, competitor strategy and available abatement options have all contributed to the difficulty companies face in forming a clear and focused position. It is without doubt that the regulatory burden is increasing and Australian companies, particularly those with international operations or markets, can no longer ignore the issue of greenhouse gas emissions.

Carbon credits are becoming an internationally traded commodity

This new regulatory and community led environment has resulted in the development of a new internationally traded commodity – carbon credits. The potential market is huge.

Emissions trading schemes are being established throughout the world. The European Union emissions trading scheme commences on 1 January 2005, with the UK, Netherlands, Denmark, Greece, Germany, Italy, Norway, Sweden, China and Canada also having or developing their own emissions trading schemes.

Many North American companies are voluntary participants in the Chicago Climate Exchange and have agreed to reduce their emissions below specified levels by 2006. Trading in carbon credits on the Chicago Climate Exchange commenced in late 2003.

Carbon trading activity is escalating. The World Bank reports that 64 million tonnes of CO₂e has been traded through projects between January and May 2004, compared with 78 million tonnes of CO₂e in the whole of 2003. The global carbon market has reportedly doubled in size in each of the last two years. The Carbon Disclosure Project estimates the 2004 global market could reach US\$480 million. Market forecasts on the estimated size of the global carbon market vary considerably. Forecasts range from US\$10 billion to US\$2.3 trillion. The Carbon Disclosure Project's survey indicated that of the 129 companies in the high impact sectors, 54% had been involved in carbon trading.

The price of carbon credits depends upon a range of factors, including cost of abatement, balance of supply and demand, non-compliance penalties, corporate tax regimes, transaction structure, market segment, likelihood of certification, buyer and seller behaviour and type and quality of emission reduction. Due to the range of variables, forecasts of carbon credit prices are subject to great uncertainty. However, the carbon credit price ceiling is influenced by the penalty set for mandatory schemes.



2. DETAILS OF THE PROPOSAL continued

Emission reductions are only part of the solution – carbon sequestration will also provide tradeable carbon credits

Global multinational companies whose businesses are involved in emissions intensive sectors are taking action to reduce emissions and minimise their exposure to the carbon constrained global economy. Energy efficiency measures involving process design, technology innovations and developments are the only way a number of companies in these emissions intensive sectors can achieve significant reductions in their greenhouse gas emission profiles.

It should be noted however, that there are a growing number of government critics who suggest that the current technology innovations under investigation will not lead to significant reductions in emissions. For instance, the Japanese Vice Environmental Minister does not believe significant reductions in greenhouse gas emissions can be achieved through technological advancement.

Regardless of the above, technology innovations and developments are measures that have long lead times and significant cost hurdles before commercialisation is realised. For example the recently released Federal Government report, *Securing Australia's Energy Future*, highlights this point. The A\$500 million Low Emission Technology Development Fund is targeting technologies that have the potential to lower Australia's emissions by at least two percent. To be eligible for funding, these technological developments have to be commercially available by 2020 to 2030. The cost of reducing emission profiles through these technology innovations and developments may be potentially greater than the price of emission reduction units available via other abatement options as well as in the open market.



Multi-stemmed habit of mature mallee tree

As stated by the Carbon Disclosure Project, companies are experiencing diminishing marginal returns from internal abatement programs (which involve technological innovation). The Prototype Carbon Fund has estimated a marginal abatement cost of US\$15 per tonne of CO₂e in most industrialised economies, and substantially higher levels in the most energy efficient economies.

As a result, many multinational companies are incorporating or investigating a portfolio approach in addressing their emission profiles as internal abatement opportunities become less cost-effective. As part of their portfolio approach to reducing emissions, many companies are investigating or using carbon sinks. This view about the potential role of carbon sinks in the emerging carbon market has been supported by a number of parties including the Carbon Disclosure Project as well as the Australian Greenhouse Office.

- "CO₂ trading markets offer huge opportunities for forest companies, particularly in view of the progress made on land use and forestry in the Kyoto negotiations".

Source: Carbon Disclosure Project Report ~ May 2004

- "Early action involving carbon sinks is being taken by many entities by offsetting greenhouse gas emissions through carbon sinks and/or trading in carbon rights both internationally and in Australia".

Source: Australian Greenhouse Office ~ October 1999



Large lignotuber and extensive root system



Mallee recovery from fire 2 months after the event (April 2003) and following a severe drought

2.3 AUSTRALIA IS IDEALLY PLACED FOR THE DEVELOPMENT OF MALLEE EUCALYPT CARBON SINKS

Mallee eucalypts are well suited for long term carbon sinks

The mallee eucalypt is an indigenous tree which once dominated the extensive woodlands in low rainfall areas of southern Australia. This tree species has developed in arguably one of the harshest environments in the world for tree growth and has the capacity to survive for hundreds of years. As such, they have many attractive characteristics for the purposes of long term carbon sinks. These include:

- mallees occur naturally over an extensive area of southern Australia including the low rainfall agricultural regions;
- mallees are long lived. In areas where natural mallee species have been utilised for over 100 years for the production of eucalyptus oil, native mallees have survived for over 100 years on a 2-3 year harvesting cycle;

- mallees have a large lignotuber or 'underground stem' which in addition to providing an underground sink also provides a source of latent buds which regenerate rapidly if the above ground stem is destroyed, for example by fire;
- mallees develop an extensive and deep root system which provides access to groundwater during periods of drought and irregular rainfall. Root zones extend from twenty to thirty metres below ground level;
- mallees are able to grow in infertile soils and survive extended periods of drought and high temperatures and other extreme variations in climatic conditions;
- certain selected mallees are unpalatable to introduced stock due to the high oil content of the leaves which minimises the risk of grazing impacts (post establishment); and
- mallees are resistant to insect and plant pathogens.

Further, when using the plantations for permanent carbon sinks (100+ years), no harvesting is required or contemplated. This enhances the environmental integrity of the carbon credits generated through sequestration, as well as the numerous other environmental benefits generated.



2. DETAILS OF THE PROPOSAL continued

Mallee eucalypts are a proven plantation forest species

In Australia, mallee eucalypts have been harvested for eucalyptus oil for more than 100 years. In the 1970s, investigations were undertaken by researchers to determine the potential for large scale production of eucalyptus oil. Based upon this research, The West Australian Department of Conservation and Land Management developed a program in 1993 in conjunction with Western Australian wheatbelt farmers to develop tree farming crops for farming systems to control salinity in the low rainfall wheatbelt areas. Since 1993, over 10,000 hectares of mallee eucalypt plantations have been established in Western Australia. There are also approximately 300 hectares of mallee eucalypt plantations located in the eastern states of Australia.

The industry is now well established with The Oil Mallee Company of Australia Limited ("The Oil Mallee Company"), Revesco's joint venture partner, being involved in developing commercial nurseries, seedling development, seed orchards, trial plantings, silvicultural development, land management, farmer liaison, site preparation, planting and ongoing management of plantations. The Oil Mallee Company has also developed strong technical links with a number of Western Australian agencies and universities, the Australian Greenhouse Office and a range of Commonwealth Departments.

Through significant research and development there are now a variety of species of mallee eucalypts for different soil types across southern Australia with some species being tolerant to water logging and salinity.

Unlike other commercial plantation forestry which mainly comprises block plantings that are harvested for various wood products, the mallee eucalypt plantations are planted in alleys which are integrated into the farmers' existing broad acre cropping system (see photograph below). As such, this planting technique truly represents a natural resource management system that has the advantage of maximising water use in situ and more notably has a positive effect on local farming communities. This is a significant benefit given that changing land use and the associated displacement of local farming communities is emerging as a growing social and economic issue for the existing commercial plantation forestry industry.



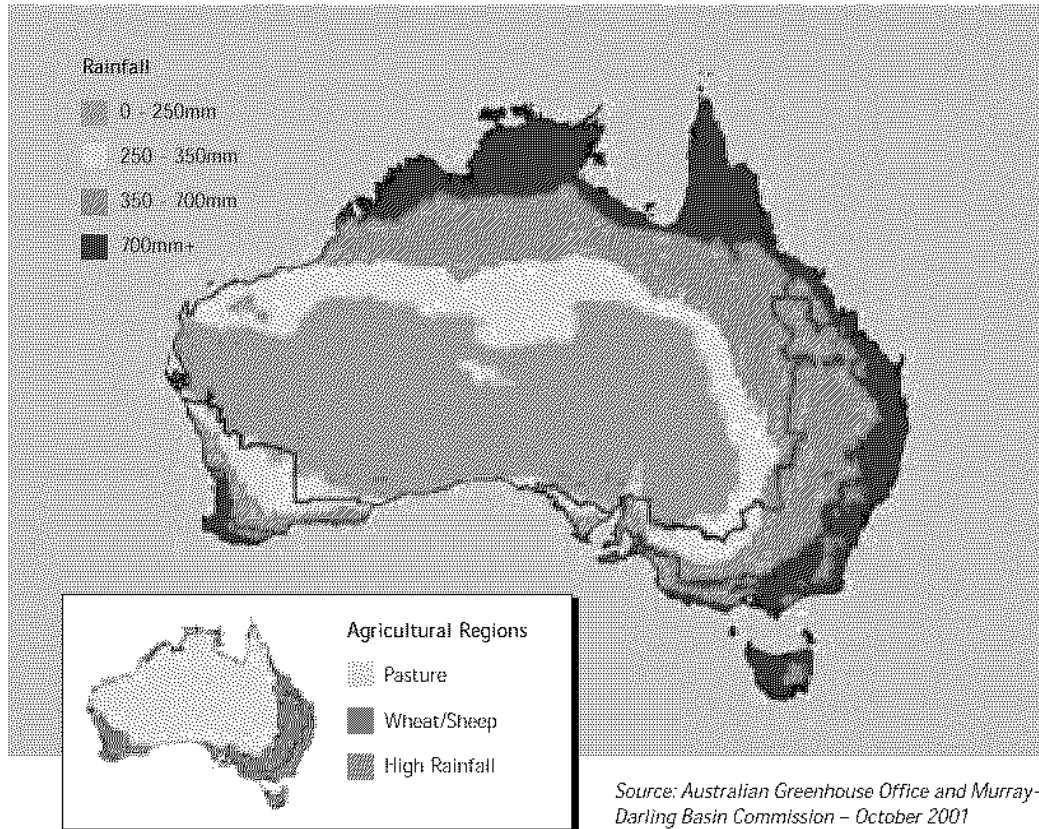
9 month old mallee plantation integrated into a farmer's existing crop regime

Southern Australia has extensive areas of land suitable for mallee eucalypt plantations

Given that mallee eucalypt plantations can thrive in mid to low rainfall areas there is significant land mass available for the establishment of mallee eucalypt plantations. This is in contrast to the current plantation forestry industry which involves other tree species (for example blue gums) and has generally concentrated its plantation activities in a limited number of high rainfall areas including:

- the "green triangle" region of Victoria and South Australia; and
- the Albany, Bunbury and Esperance regions of Western Australia.

The ideal regions for plantings of mallee eucalypts are the southern regions of Australia which were formerly native mallee forests and subsequently were extensively cleared. These areas now represent the major wheatbelt regions of Western Australia, Victoria, New South Wales and South Australia with annual rainfall of between 250 mm and 700 mm (see map on following page).



Throughout the wheatbelt regions of Australia alone, there are over 17.0 million hectares of cleared land where mallee eucalypts could potentially be integrated with existing crops. Accordingly, there is considerable opportunity to increase the scale of mallee eucalypt plantings and hence the quantum of carbon sequestered.

Significant support for mallee eucalypt plantings has already been received in rural farming communities in Western Australia given they are suited to large scale application in areas where salinity and other associated land degradation issues are greatest. The crop integration method adopted for planting is less socially disruptive to farming communities (see

aerial photo following). This is extremely important to rural communities and is a growing issue faced by plantation companies where whole farms have been planted with blue gums.

A number of Commonwealth and State agencies and farmers' organisations such as the National Farmers Federation, have stated that a significant re-establishment (14.6 million hectares) of forests is required to address Australia's dryland salinity problem.



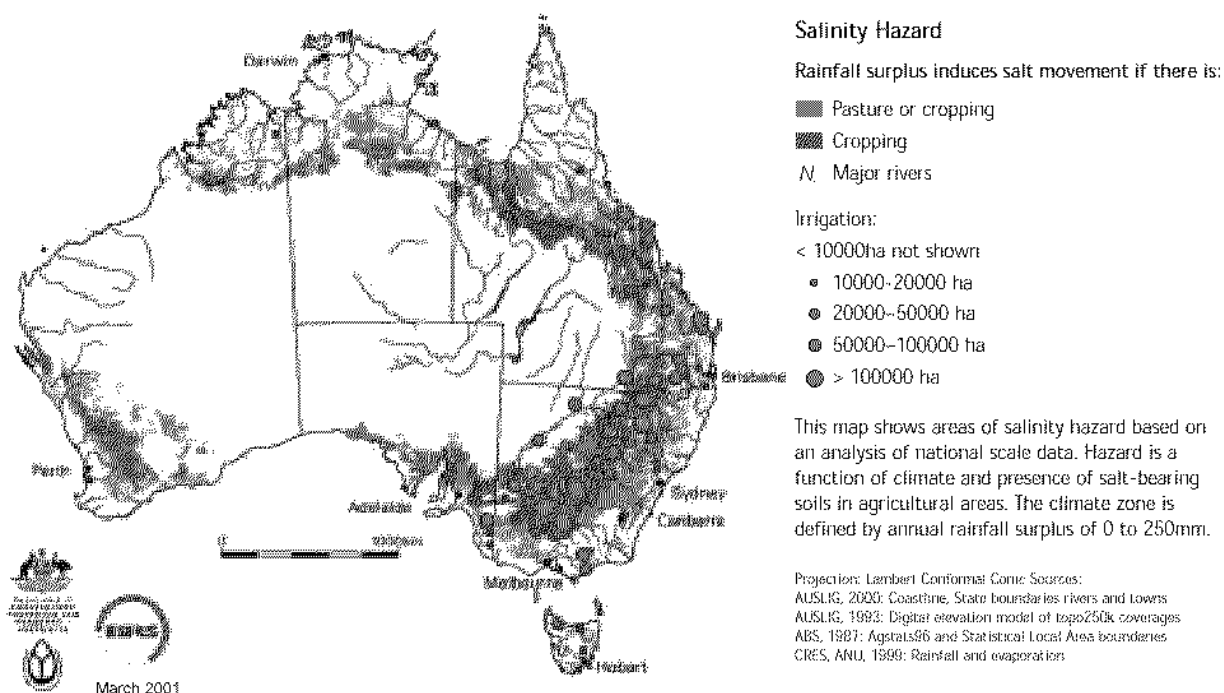
2. DETAILS OF THE PROPOSAL continued



Aerial photograph highlights the following:

- Integration of mallee plantations into farmer's existing cropping system.
- The various coloured lines highlight different mallee species for different soil types and other factors such as tolerance to salinity and water logging.
- The coloured dots represent soil testing analysis as well as drilling to establish depth of soil profiles.
- A number of major environmental issues facing the low rainfall areas in the wheatbelt regions of Australia, including:

- significant areas of dryland salinity;
- loss of remnant native vegetation and hence biodiversity due to dryland salinity;
- loss of rural infrastructure (i.e roads etc) due to dryland salinity; and
- wind erosion of top soil.



Mallee eucalypt plantations have competitive advantages over other plantation forestry

The mallee eucalypt has a number of competitive advantages over the vast majority of other current plantation forestry tree species which are dominated by *pinus radiata* (pine) and other fast growing eucalypt species such as the blue gum. These tree species are planted in the high rainfall areas whereas the mallee eucalypt can be established in mid to low rainfall areas of the Australian wheatbelt because they can withstand extreme climatic conditions such as drought and natural fires and can be planted in infertile soils.

Unlike other commercial plantation forestry, where the trees are harvested for their wood products and the land is eventually returned to pasture, mallee eucalypt plantations will be a permanent fixture on the landscape. As such this indigenous tree species will generate additional environmental benefits by making significant contributions to mitigating salinity, enhanced biodiversity and soil and water conservation.

These benefits are well documented at both the Commonwealth and State Government levels. For instance, the Federal Minister for the Environment and Heritage recently said, "Mallee plantations on farms lower the water table and help the fight against dry land salinity as well as enhance biodiversity in the agricultural landscape". A similar view has been expressed by the Western Australian Minister for the Environment, Judy Edwards who said "it is an industry (oil mallee) that has both economic and environmental benefits in terms of complementary landcare and biodiversity conservation activities".

Further, it has been estimated that just 6% (by area) of the high salinity risk areas of Australia have annual rainfall of greater than 700mm. Therefore, a majority of the areas of high salinity risk are not suitable for plantings of the current species used for commercial forestry (requiring greater than 700mm annual rainfall), and the potential for those species to address Australia's salinity issues is limited. In contrast, mallee eucalypts have the advantage that they can be planted in mid to low rainfall areas and therefore they have the potential to reduce salinity in Australia on a much larger scale than the current species used for commercial forestry.



2. DETAILS OF THE PROPOSAL continued

2.4 REVESCO IS WELL POSITIONED TO TAKE ADVANTAGE OF THE OPPORTUNITY

Revesco has plantation management experience and access to necessary infrastructure through its joint venture with The Oil Mallee Company

Revesco has formed an incorporated joint venture, Carbon Sinks Services Pty Ltd ("Carbon Sinks Services"), with The Oil Mallee Company to promote mallee eucalypt plantings and conduct research and development to enhance the carbon sequestration capabilities of mallee eucalypts. Under the arrangements, The Oil Mallee Company has agreed to work exclusively with Revesco in relation to plantings with the dominant purpose of the production of carbon credits, for example through carbon sequestration ie. carbon sinks (subject to some minor exclusions). Carbon Sinks Services has engaged The Oil Mallee Company to provide plantation establishment and management services for Revesco's CO₂ AUSTRALIA™ Carbon Sequestration Program.

Of 10,000 hectares of mallee eucalypt plantations (28 million mallee trees) established to date, a significant proportion have been established and managed by The Oil Mallee Company, which was formed in 1997. The Oil Mallee Company has extensive experience in developing commercial nurseries, seedling development, seed orchards, trial plantings, silvicultural development, land management, farmer liaison, site preparation, planting and ongoing management of plantations. The Oil Mallee Company has also developed strong technical links with a number of Western Australian agencies and universities, the Australian Greenhouse Office and a range of Commonwealth departments.

More recently, The Oil Mallee Company has been engaged by a number of corporations to develop and manage commercial mallee eucalypt plantations. The Oil Mallee Company has also established and maintained mallee plantings for a number of other major Australian companies, a government utility, a Japanese not for profit organisation and a major Japanese power utility.

The Oil Mallee Company has, as a result of leading the development of the Australian mallee eucalypt plantation industry, developed a comprehensive and proprietary database on mallee eucalypt carbon sequestration rates over different climate and landscape environments. This data will be invaluable in the development of plantations over a broad spectrum of environments.

Revesco, through a subsidiary company, has acquired a substantial shareholding interest in The Oil Mallee Company and Mr James McAuliffe, a director of Revesco, has been appointed to the board of The Oil Mallee Company.

There are a range of available opportunities, but the New South Wales Greenhouse Gas Abatement Scheme is one of Revesco's selected projects

While entry into force of the Kyoto Protocol and ratification by Australia would significantly enhance Revesco's CO₂ AUSTRALIA™ Carbon Sequestration Program, it is not dependent on these events. There are schemes requiring mandatory reductions in greenhouse gas emissions in operation in Australia already. In addition, as part of an extensive due diligence process which was undertaken, a number of other active markets were identified where Revesco's CO₂ AUSTRALIA™ Carbon Sequestration Program has considerable potential.

The form and timing of impending regulation, uncertainty regarding State versus Federal versus international approaches, price discovery, competitor strategy and available abatement options all contribute to the difficulty Australian companies are facing in forming a clear and focused position on greenhouse gas abatement. In recognition of this uncertainty, Revesco has developed a low cost, long term, large scale sequestration program (carbon sinks via mallee plantation forestry) aimed at enabling corporations to hedge their emissions profile in preparation for further regulation and mandatory greenhouse gas emission reductions.

Revesco has identified an opportunity to assist New South Wales retail electricity suppliers which are mandatory participants in the New South Wales Greenhouse Gas Abatement Scheme ("Benchmark Scheme") to reduce their greenhouse gas emission profiles over time.

Under the Benchmark Scheme, only accredited providers may create carbon credits (called "Abatement Certificates") to be offset against any excess above allowable emissions levels. Revesco, through its wholly owned subsidiary CO₂ Australia Limited ("CO₂ Australia"), has applied for accreditation and is the first applicant under the Benchmark Scheme's Carbon Sequestration Rule. To date, no other parties have been accredited under this rule.

The interest from participants under the Benchmark Scheme and other markets identified by Revesco has been significant. A limited marketing campaign was conducted by Revesco in late December 2003 to gauge the level of potential demand. Over 80,000 hectares of interest was identified and given the level of interest all marketing of the program was stopped to allow the management team to focus on the implementation of the matters required to delivering a successful outcome.

By way of comparison, this level of demand (80,000 hectares) is very significant when benchmarked against the Plantations for Australia – 2020 Vision. The 2020 Vision for plantations in

Australia reflects a working partnership between the Commonwealth, State and Territory Governments and the plantation growing and processing industries. The target set under the 2020 Vision is trebling the effective area of Australia's plantations between 1996 and 2020. This target can be achieved by planting on average 80,000 hectares per year.

Written expressions of interest for over 50,000 hectares have already been received by Revesco. A number of these term sheets are conditional upon accreditation under the Benchmark Scheme and securing sufficient suitable sites for plantings. Revesco is confident that it will finalise a number of these term sheets over the coming months.

Again, by way of comparison, the level of interest is significant. It has been estimated that the plantation forestry industry (i.e. the managed investment scheme operators) achieved enough investor interest to establish 45,560 hectares of plantations in the high rainfall areas this financial year. The vast majority, 33,000 hectares, will be blue gum plantations. The combined market capitalisation of the listed plantation forestry companies (i.e. managed investment scheme operators) on the Australian Stock Exchange is in excess of A\$1.0 billion.

Revesco has sufficient funds to take its CO2 AUSTRALIA™ Carbon Sequestration Program through the initial stages and innovative funding structures for new projects are well advanced

Revesco is well positioned to capitalise on this business opportunity with in excess of A\$12.5 million in cash reserves and no debt as at 30 June 2004.

Revesco is well advanced in the development of a number of different funding arrangements for the establishment of carbon sinks or production of carbon credits on behalf of clients. Funding of projects is expected to be sourced via third party investors and/or large government owned utilities or multinationals rather than from Revesco's financial resources.

The executive management team of Revesco has a track record of successfully establishing new ventures and raising funds to progress new projects. The management team raised in excess of A\$300 million for the last major investment they established.

A number of major Commonwealth and State funding opportunities also exist which will further enhance the overall business opportunities for Revesco's CO2 AUSTRALIA™ Carbon Sequestration Program. For instance, Revesco has identified over A\$2.6 billion of potential funding which offers further business opportunities.

Revesco has secured a highly skilled and credible team to progress the CO2 AUSTRALIA™ Carbon Sequestration Program

Carbon Sinks Services has a board and management team with significant expertise and experience in development of mallee eucalypt plantations, greenhouse gas regulation and carbon trading. The board includes:

Professor Syd Shea. Professor Shea is the Chairman of Carbon Sinks Services and Chairman/Managing Director of The Oil Mallee Company. He was instrumental in establishing the first commercial tree crop programs in Western Australia. He held the position of Executive Director of the Department of Conservation and Land Management for fifteen years. Professor Shea negotiated the first carbon sequestration project in Australia with British Petroleum and was recently invited to present at the Kyoto Protocol Conference of Parties 9 event in Milan. He holds the position of Professor of Environmental Management at the University of Notre Dame and is a member of the Commonwealth Government's High Level Carbon Accounting Steering Committee.

Andrew Grant. Mr Grant is the Managing Director of Carbon Sinks Services. He is also the managing director of CO2 Australia, the Revesco entity seeking accreditation as an Abatement Certificate provider under the Benchmark Scheme. Mr Grant was previously the National Head of Ernst and Young's environmental advisory division and was the lead adviser to the New South Wales Government in relation to implementing the Benchmark Scheme. Just prior to joining Carbon Sinks Services and CO2 Australia, Andrew was the Executive Manager, Sustainable Packaging, at Visy Industrial Packaging. Andrew has over 20 years experience in broad acre land management and has managed major commercial forestry operations in Victoria. He is a widely recognized authority on climate change and carbon trading. Andrew has advised many of the major corporations across Australia on carbon trading and has performed design and audit roles in many carbon trades. He brings significant executive management experience to the role and his unique combination of commercial, carbon trading and natural resource management experience make him ideally suited for these critical roles.



2. DETAILS OF THE PROPOSAL continued

Revesco has a number of other competitive advantages

The superior competitive position that the proposal offers to Revesco has been a major determinant in the company pursuing this opportunity. In addition to having no known established competitors in the market, Revesco has taken a number of important steps to secure its competitive position. In particular:

- Revesco has established exclusive arrangements with The Oil Mallee Company for carbon credit plantings of mallee eucalypts. The Oil Mallee Company is the industry leader in the area and has successfully established mallee eucalypt plantations in areas ranging from 250 mm to 650 mm annual rainfall. The Oil Mallee Company has significant proprietary know-how in establishment and management of mallee eucalypt plantations, which is essential to achieving the required outcomes.
- The Oil Mallee Company and Revesco have an extensive confidential data base on the sequestration characteristics of different mallee species over different climatic and landscape conditions. This information is critical to be able to determine the levels of carbon sequestered and to comply with the stringent certification requirements under the various schemes, including the Kyoto Protocol.
- The project is readily scaleable. Unlike plantation forestry using high rainfall tree species, the mid to low rainfall land on which mallee eucalypt plantations can be established means there is significant cost effective land available. In addition, the integrated planting methods adopted have a positive effect on local farming communities as highlighted by the significant support for mallee plantations in Western Australia.
- Revesco has been diligent in securing its information, processes, procedures and structures with appropriate intellectual property protections.
- Mallee eucalypt plantations are to be established as long term carbon sinks (100+ years) with no biomass harvesting contemplated. As such, the plantations will represent a permanent addition to the national forestry estate.

- Revesco's wholly owned subsidiary, CO2 Australia is the only applicant under the New South Wales Benchmark Scheme for accreditation to generate Abatement Certificates through carbon sequestration. As such, Revesco has a first mover advantage in this field.
- Alternative sequestration projects such as carbon dioxide capture and storage in natural reservoirs, such as oil and gas wells, aquifers and the deep ocean are significantly more costly than carbon sinks.

In addition to these economic and competitive advantages, the development of mallee plantations in mid to low rainfall regions also has other environmental benefits. In particular, it has the potential not only to retard salinisation, and thereby reduce the loss of biodiversity, but the capacity to restore habitat and facilitate the establishment of more diverse ecological functions in landscapes that have been cleared for annual crops and pastures.

Australia has a number of other emerging environmental markets with regard to salinity, water conservation and biodiversity. The Council of Australian Governments has stated that the total cost of land and water degradation is approximately A\$3.5 billion per annum. As these markets develop, Revesco remains confident of further capitalising on these emerging market opportunities.

Revesco is also confident that its CO2 AUSTRALIA™ Carbon Sequestration Program will meet the various conservation groups' criteria in regard to carbon sinks. For example, a major non-government organisation has stated that its criteria include:

- projects promote sustainable development; and
- reforestation projects "contribute to the conservation of biological diversity and sustainable use of natural resources."

2.5 NEXT STEPS...

The further development of the business is dependent in the immediate term on shareholder approval of the proposed change in activities. On the assumption that approval is obtained, set out below are a number of key steps to be taken by Revesco in the short to medium term to progress the CO₂ AUSTRALIA™ carbon sequestration business.

- Accreditation of Revesco's wholly owned subsidiary CO₂ Australia, under the Benchmark Scheme. This is important to the development and progress of the initial focus of the company – namely the production of carbon credits in the form of Abatement Certificates for retail electricity suppliers and high electricity users in New South Wales.
- Finalising contracts for the provision of Abatement Certificates for one or more New South Wales retail electricity suppliers, which will underpin the initial development of mallee eucalypt plantations in New South Wales.
- Progressing current negotiations for the production of carbon credits for large companies under various active markets throughout Australia.
- Establishment of plantations in New South Wales, demonstrating the development of the infrastructure in New South Wales to develop and expand the New South Wales operations to meet the significant anticipated demand.

The implementation of the proposed business model is not without risk. While there are benefits to being one of the first to market in an industry such as the developing greenhouse gas emissions market, there are a number of uncertainties which make it impossible to forecast with certainty the future performance of the business and the company. For instance, while not critical to the viability of the business model, if the Kyoto Protocol is ratified by Australia and comes into force,

the nature of the business opportunity will be significantly enhanced and there will be challenges in meeting the anticipated demand. The legislative environment is evolving and has the potential to change the dynamics of the industry, the rate of action taken by companies and governments in addressing greenhouse gas issues and the development of trading markets for carbon credits. All of these factors will have an impact on the Revesco business.

With the inherent uncertainty regarding the industry, Revesco has developed a business model which provides significant flexibility and scalability. Once the core infrastructure is well established, it expects to have the capacity to upscale its operations in a relatively short period. The scale of plantings are expected to be modest in the context of expected demand in the initial stages of development. Revesco has however a targeted operating capacity of approximately 75,000 hectares of mallee eucalypts per annum within 3 years should the current expectations in relation to demand prove to be well founded.

Revesco has devoted considerable time to assessing the potential of the mallee eucalypt industry and determined that mallee eucalypts are the best suited species of established plantation species available for the long term sequestration of carbon. A critical component of plantation management is risk management. Mallees are an extremely robust species, which have evolved in a relatively harsh environment. This, together with the intention to distribute the tree plantings across a range of farming properties, diminishes the overall risk of losing a significant proportion of the planted area as a consequence of extreme events.



3. IMPACT OF THE PROPOSAL ON REVESCO

3.1 IMPACT ON EXISTING MINERAL EXPLORATION ACTIVITIES

In light of the change of activities, the board is currently reviewing its portfolio of assets related to its mineral exploration activities. If shareholders approve the change of activities, the board intends to continue the review process and will consider repositioning the assets into a new entity in which shareholders may participate or otherwise dispose of those assets in a manner which maximises returns to Revesco's shareholders.

3.2 FINANCIAL IMPACT

Revesco is in a sound financial position with in excess of \$12.5 million in cash reserves and no debt. An audit reviewed balance sheet as at 31 December 2003 is set out below.

Revesco Group Limited Consolidated Balance Sheet 31 December 2003		\$
CURRENT ASSETS		
Cash	13,498,778	
Other Current Financial Assets	65,060	
Other Assets	17,527	
TOTAL CURRENT ASSETS	13,581,365	
NON-CURRENT ASSETS		
Plant & Equipment	4,709	
Investments	543,374	
Mineral Exploration Costs	378,321	
TOTAL NON-CURRENT ASSETS	926,404	
TOTAL ASSETS	14,507,769	
CURRENT LIABILITIES		
Payables	9,306	
Provisions	51,255	
TOTAL CURRENT LIABILITIES	60,561	
TOTAL LIABILITIES	60,561	
NET ASSETS	14,447,208	
EQUITY		
Contributed Equity	21,623,697	
Accumulated Losses	(7,176,489)	
TOTAL EQUITY	14,447,208	

NOTE: There have been no material changes to the balance sheet except for the expenditures referred to below.

As indicated in previous annual reports to shareholders, Revesco has been investigating new opportunities for some time and has expended funds in this process. Approximately \$1.6 million has been expended to date on assessing and developing the new business opportunity. It is anticipated further expenditure will be incurred as the projects are progressed.

Having now identified the appropriate opportunity, it is anticipated that further capital will be expended in developing and advancing the business opportunity before the business achieves a cash flow positive position.

The rate of expenditure will in part be dependent on the future demand for Revesco's services and the timing for ramp up of its operations and planting levels.

Revesco's budgeted expenditures for progressing the new business over the next 2 years are in the order of:

Item	2005	2006	Total
Research & Development	\$302,000	\$250,000	\$552,000
Oil Mallee Company joint Venture expenditure	\$1,000,000	\$500,000	\$1,500,000
Administration / Overheads	\$820,000	\$1,050,000	\$1,870,000
Operating & scaling up Costs	\$2,720,000	\$1,600,000	\$4,320,000
Total	\$4,842,000	\$3,400,000	\$8,242,000

As at 30 June 2004, Revesco had in excess of \$12.5 million in cash reserves and no debt. Accordingly, Revesco has enough working capital to carry out its stated objectives.

3.3 IMPACT ON CAPITAL STRUCTURE

As shareholders are aware, given its sound cash reserves and the fact that Revesco has been assessing new business opportunities for some time and so has had relatively low cash expenditure, the company has not raised capital since the placement to raise \$1.9 million made in January 2002. Depending on the rate of demand for Revesco's services under the new business venture and progress in implementation of its business plan, Revesco does not expect to be required to raise further capital in the short term (ie. next 3 months) in order to implement the proposal.

As mentioned earlier, Resolution 2 seeks shareholder approval for the issue of 9,399,998 Options. The Options are issued on the same terms as Revesco's quoted options which are currently on issue. The full terms of the Options are provided in Annexure A. Other than these options, no other securities are intended to be issued in relation to the new business venture.

The following table shows the effect of the issue of the Options on Revesco's capital structure.

Security	Prior to the issue of the Options	Following the issue of the Options
Ordinary Shares	189,786,806	189,786,806
Convertible Preference Shares	99,111,111	99,111,111
Quoted Options	147,734,412	157,134,410
Unquoted Options	3,750,000	3,750,000

Notes:

- The Convertible Preference Shares (CPS) were issued at \$0.00001. To convert to fully paid ordinary shares each holder is required to pay \$0.06499 per share. The CPS can be converted at any time at the election of the holders. The CPS have limited voting rights consistent with the requirements in the ASX Listing Rules.
- Each Unquoted Option entitles the holder to subscribe for one ordinary share upon payment of \$0.20 at any time up until the expiry date, being 30 November 2005.

3.4 IMPACT ON TRADING OF REVESCO SHARES

Consistent with ASX policy, Revesco will be placed into a trading halt commencing on the day of the shareholder meeting to approve the change of activities. If shareholders approve the change of activities at the meeting and ASX is satisfied that Revesco has met the requirements of chapters 1 and 2 of the Listing Rules then it is anticipated that the trading halt will be lifted as soon as possible following the announcement of the results of the meeting.

3.5 REVESCO SHARE PRICE PERFORMANCE

Highest price in the last 3 months	39.0 cents
Lowest price in the last 3 months	20 cents
Price as at 27 July 2004	39.0 cents



4. OTHER MATERIAL INFORMATION

4.1 ADDITIONAL REGULATORY DISCLOSURES IN RELATION TO RESOLUTION 1

In relation to Resolution 1, the ASX Listing Rules require the information memorandum to include certain disclosures. To the extent that the required information is not set out elsewhere in this information memorandum, it is set out below:

- So far as the directors are aware, this information memorandum contains all the information that would be required under section 710 of the Corporations Act 2001 if the information memorandum were a prospectus offering for subscription the same number of securities for which quotation will be sought.
- ASX does not take any responsibility for the contents of this information memorandum and the fact ASX has admitted Revesco to the Official List of the ASX is not to be taken as an indication of Revesco's merits.
- As at the date of this information memorandum the number, description and amount of securities in Revesco held by or on behalf of each director of Revesco is as per table below:

The directors are executive directors of Revesco and as such receive remuneration as executives of Revesco.

Other than as set out in this information memorandum, no director now or in the past 2 years has an interest in the promotion of Revesco or in the property acquired or proposed to be acquired by Revesco.

- Revesco has not raised any capital in the 3 months before the date of this information memorandum and will not need to raise any capital for 3 months after the date of this information memorandum.
- A supplementary information memorandum will be issued by Revesco if it becomes aware of any of the following between the date of issue of this information memorandum and the date that trading re-commences in its shares on ASX:
 - a material statement in this information memorandum is misleading or deceptive;
 - there is a material omission from this information memorandum;
 - there has been a significant change affecting a matter included in this information memorandum; or
 - a significant new circumstance has arisen and it would have been required to have been included in this information memorandum.

Director	Ordinary Shares	Options	Convertible Preference Shares
Ian Trahar	67,710,796	67,710,796	50,000,000
Harley Whitcombe	4,740,000	5,005,557	5,555,557
James McAuliffe	1,666,668	1,666,668	1,666,668

Notes:

- The Options are exercisable at \$0.12 on or before 12 November 2011.
- The Convertible Preference Shares (CPS) were issued at \$0.00001. To convert to fully paid ordinary shares each holder is required to pay \$0.06499 per share. The CPS can be converted at any time at the election of the holders. The CPS have limited voting rights consistent with the requirements in the ASX Listing Rules.

4.2 ADDITIONAL REGULATORY DISCLOSURES IN RELATION TO RESOLUTION 2

The ASX Listing Rules also require certain disclosures to be made in relation to Resolution 2. To the extent that that information is not set out elsewhere in this information memorandum, it is set out below:

- Revesco is seeking approval for the issue of a maximum of 9,399,998 Options.
- The Options will be issued progressively and as soon as possible after the meeting.

The Options to be issued to Mr Grant will be issued within 10 business days after the date of the meeting. The Options to be issued to Professor Shea, Mr Duncanson and The Oil Mallee Company (or its nominees) are subject to certain pre-conditions.

At the date of this information memorandum none of the conditions for the grant of Options to either Professor Shea or Mr Duncanson have been satisfied. ASX has granted a waiver to allow the shareholder approval sought under Listing Rule 7.1 for the issue of the Options to Professor Shea and Mr Duncanson to apply for the periods specified in the table below.

At the date of this information memorandum, approximately

400,000 Options are to be issued to the Oil Mallee Company (or its nominees) after the date of the meeting, within 10 business days after receipt of the requisite escrow agreements. Of the remaining 600,000 Options that may be issued to The Oil Mallee Company (or its nominees), 550,000 are to be issued following satisfaction of the relevant milestones, provided they are achieved within 3 months of the date of the meeting. The remaining 50,000 Options will be issued upon persons the Oil Mallee Company identifies as having an interest in certain intellectual property signing agreements granting the required rights to the intellectual property, provided this occurs by 31 December 2004. ASX has granted a waiver to allow the shareholder approval sought under Listing Rule 7.1 for the issue of these 50,000 Options to apply until 31 December 2004.

- No monetary consideration will be payable for the issue of the Options. However, a number of the Options will be issued to reward and provide incentives to certain people who have assisted in the initial investigation of carbon sequestration activities and also to those who will play a key role in Revesco's business in the future. Please refer to the table below for details.
- Revesco is seeking shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Options to the following people.

No of Options	Allottee	Comments
7,400,000	Mr Grant	Mr Andrew Grant is the managing director of Carbon Sinks Services and CO2 Australia. He will play a key role in Revesco's CO2 AUSTRALIA™ carbon sequestration business. His experience is discussed in section 2.4 of the information memorandum. Mr Grant will enter an escrow agreement with Revesco preventing him from disposing of Options for certain periods.
499,999	Professor Shea	Professor Syd Shea is the Chairman of Carbon Sinks Services and The Oil Mallee Company. Professor Shea's experience is discussed in section 2.4 of the information memorandum. The Options will be issued in the tranches and on satisfaction of the conditions described below. Satisfaction of the conditions will be beneficial to Revesco's CO2 AUSTRALIA™ carbon sequestration business. There is no end date for satisfaction of the conditions for the issue of Options to Mr Shea. However, if shareholders approve the issue for the purposes of Listing Rule 7.1, Revesco will only be able to rely on that approval in respect of a particular tranche of Options (thereby retaining its ability to raise the full 15% of its issued capital without shareholder approval) if the Options are issued on or before the date specified below for that tranche of Options.



4. OTHER MATERIAL INFORMATION continued

No of Options	Allottee	Comments
	Professor Shea (continued)	<u>Tranche 1</u> – 12 months from the date of the meeting 166,667 Options to be issued upon the earlier of: • CO2 Australia gaining accreditation for the issuing of Abatement Certificates; or • the successful completion of the first planting by Carbon Sinks Services of not less than 100 hectares. <u>Tranche 2</u> – 18 months from the date of the meeting 166,666 Options to be issued upon successful completion of the first planting by Carbon Sinks Services of not less than 500 hectares. <u>Tranche 3</u> - 36 months from the date of the meeting 166,666 Options to be issued upon the market price for Revesco's shares remaining at greater than \$0.25 per ordinary share for a continuous and consecutive period of 3 months provided that period occurs entirely within the period commencing on the date which is 12 months after the condition for the issue of the Tranche 2 Options is satisfied. Professor Shea will enter an escrow agreement with Revesco preventing him from disposing of Options until the date which is 12 months after Carbon Sinks Services completes its first planting of not less than 500 hectares.
499,999	Mr Duncanson	Mr Trevor Tym Duncanson is a director of The Oil Mallee Company. Mr Duncanson has significant experience in forestry and an extensive knowledge of mallee eucalypts. The Options will be issued in the tranches and on satisfaction of the conditions described below. Satisfaction of the conditions will be beneficial to Revesco's CO2 AUSTRALIA™ carbon sequestration business. There is no end date for satisfaction of the conditions for the issue of Options to Mr Duncanson. However, if shareholders approve the issue for the purposes of Listing Rule 7.1, Revesco will only be able to rely on that approval in respect of a particular tranche of Options (thereby retaining its ability to raise the full 15% of its issued capital without shareholder approval) if the Options are issued on or before the date specified below for that tranche of Options. <u>Tranche 1</u> – 12 months from the date of the meeting 166,667 Options to be issued upon the earlier of: • CO2 Australia gaining accreditation for the issuing of Abatement Certificates; or • the successful completion of the first planting by Carbon Sinks Services of not less than 100 hectares. <u>Tranche 2</u> – 18 months from the date of the meeting 166,666 Options to be issued upon successful completion of the first planting by Carbon Sinks Services of not less than 500 hectares. <u>Tranche 3</u> - 36 months from the date of the meeting 166,666 Options to be issued upon the market price for Revesco's shares remaining at greater than \$0.25 per ordinary share for a continuous and consecutive period of 3 months provided that period occurs entirely within the period commencing on the date which is 12 months after the condition for the issue of the Tranche 2 Options is satisfied. Mr Duncanson will enter an escrow agreement with Revesco preventing him from disposing of Options until the date which is 12 months after Carbon Sinks Services completes its first planting of not less than 500 hectares.

No of Options	Allottee	Comments
1,000,000	The Oil Mallee Company of Australia Limited (or its nominee)	The Options are to be issued to The Oil Mallee Company or its nominees. The Options are to be issued on the satisfaction of certain milestones relating to the development of Revesco's CO₂ AUSTRALIA™ carbon sequestration business. The recipients must enter an escrow agreement with Revesco preventing the recipients from disposing of any Options until the date which is 12 months after Carbon Sinks Services completes its first planting of not less than 500 hectares.

4.3 ASX WAIVERS

The ASX has granted a waiver from Listing Rule 1.1 Condition 11 to the extent necessary to permit Revesco to do the following:

- Have up to 147,734,412 Options on issue; and
- Issue up to 9,399,998 Options in Revesco to employees and contractors of Revesco.

ASX has also granted a waiver from Listing Rule 7.3.2 to the extent necessary to permit Revesco to seek shareholder approval for the purposes of Listing Rule 7.1 for the issue of 1,049,998 of the Options referred to in section 4.2 of this information memorandum despite the fact those Options will be issued more than 3 months after the date of the meeting.

4.4 AUTHORISATION

This information memorandum has been approved by each director of Revesco and is dated the 3 August 2004.

Ian Trahar

Harley Whitcombe

James McAuliffe



ANNEXURE A - OPTION TERMS

The Options will be issued on the terms and conditions set out below:

- 1 The Options will be issued for nil consideration.
- 2 Each Option entitles the holder to subscribe for and be allotted one Ordinary Share at an exercise price of \$0.12 per share.
- 3 The Options are exercisable at any time prior to 5.00pm WST on 12 November 2011 (the "Expiry Date") by notice in writing to the directors accompanied by payment of the exercise price.
- 4 The Options will be listed on the ASX. Revesco must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure, at its own expense, listing for quotation on ASX of the Options.
- 5 The Options are transferable.
- 6 Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 10 business days after receipt of a properly executed notice of exercise of the Option and payment of the requisite application moneys.
- 7 All shares issued upon exercise of the Options will rank pari passu in all respects with ordinary shares then on issue. Revesco will apply for official quotation by ASX of all shares issued upon exercise of the Options within three business days after the date of allotment of those shares except if escrow conditions of ASX apply to such shares.
- 8 The Options will not entitle the holder to any dividends (or shares or rights in lieu of dividends) declared or issued by Revesco.
- 9 There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will send a notice to each holder of Options at least 9 business days before the record date. This will give holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- 10 If, before the expiry of any Options, Revesco makes an issue of shares to the holders of shares by way of capitalisation of profits or reserves (a "bonus issue") other than in lieu of a dividend payment, then upon exercise of an Option, the holder will be entitled to have issued to him (in addition to the shares which he is otherwise entitled to have issued to him upon such exercise) additional shares in Revesco. The number of additional shares is the number of shares which would have been issued to him under that bonus issue ("bonus shares") if on the date on which entitlements were calculated he had been registered as the holder of the number of shares which he would have been registered as holder if immediately before that date he had exercised his Options. The bonus shares will be paid up by Revesco out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank pari passu in all respects with the other shares allotted upon exercise of an Option.
- 11 In the event of any reorganisation of the issued capital of Revesco on or prior to the Expiry Date, the rights of a holder of Options will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the reorganisation.
- 12 Revesco will, at least 20 business days before the Expiry Date, send notices to the holders stating the name of the holder, the number of Options held and the number of securities to be issued on exercise of the Options, the exercise price, the due date for payment and the consequences of non-payment.
- 13 In the event a proposal is announced for the reorganisation, amalgamation or merger of Revesco or its main undertaking or an offer made pursuant to an on-market or off-market takeover bid for Ordinary Shares, then the Options may be exercised immediately.

NOTICE OF MEETING

REVESCO GROUP LIMITED (ABN 50 009 317 846)

Time: 10.00am
 Date: Thursday 2 September 2004
 Place: The Forrest Centre
 Conference Room 2, Level 14
 221 St Georges Terrace, Perth, WA

This is a notice of meeting of shareholders of Revesco Group Limited.
 This notice of meeting is issued by Revesco Group Limited of Level 11, 225 St George's Terrace, Perth, Western Australia.

BUSINESS

The business of the meeting will consist of the following:

Resolution 1 – Approval of change of activities

To consider and, if thought fit, pass an ordinary resolution in the following terms:

"That for the purposes of Rule 11.1 of the Listing Rules of the Australian Stock Exchange Limited, shareholders approve the change of the nature of Revesco's activities from a mineral resources exploration company to a company involved in the business of providing environmental services including carbon sequestration."

Voting Exclusion Statement:

Revesco will disregard any votes cast on Resolution 1 by or on behalf of any person who might obtain a benefit, except a benefit solely in the capacity of holder of ordinary shares, if Resolution 1 is passed, and any associates of those persons. However, Revesco need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Approval of issue of Options

To consider and, if thought fit, pass an ordinary resolution in the following terms:

"That, subject to Resolution 1 being duly passed, in accordance with the provisions of Listing Rule 7.1 of the Listing Rules of the Australian Stock Exchange Limited, approval is given to the issue by Revesco of 9,399,998 Options on the terms set out in the information memorandum accompanying this Notice of Meeting."

Voting Exclusion Statement:

Revesco will disregard any votes cast on Resolution 2 by or on behalf of any person who may participate in the issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if Resolution 2 is passed, and any associates of those persons including, but not limited to, Andrew Grant, Trevor Tyn Duncanson, Sydney Shea and The Oil Mallee Company of Australia Limited, and any associates of those persons. However, Revesco need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3 – Approval of change of name

To consider and, if thought fit, pass a special resolution in the following terms:

"That, subject to Resolution 1 being duly passed, the name of the company be changed from Revesco Group Limited to CO2 Group Limited with effect from the date of registration of this resolution by the Australian Securities and Investments Commission."



HOW DO YOU EXERCISE YOUR RIGHT TO VOTE?

All holders of ordinary shares appearing on the Revesco Group Limited share register at 10.00am WST on 3 August 2004 are entitled to attend and vote at the meeting.

On a show of hands, you have one vote. On a poll, you have one vote for every share you hold.

Jointly held shares

If your shares are jointly held, only one of the joint holders is entitled to vote. If more than one holder votes in respect of jointly held shares, only the vote of the holder whose name first appears on the register will be counted. You need not exercise all of your votes in the same way, nor need you cast all of your votes.

Corporations Voting

In order to vote at the meeting, a corporation which is a member, must appoint a person to act as its representative. A representative does not have to be a shareholder of Revesco Group Limited. The appointment must comply with section 250D of the Corporations Act 2001. The representative should bring to the meeting evidence of his or her appointment including any authority under which it is signed. Alternatively, you may appoint a proxy to vote on your behalf.

Voting by proxy

If you cannot attend, you may appoint a proxy to attend and vote for you. A proxy does not have to be a shareholder of Revesco Group Limited. To ensure that all shareholders can exercise their right to vote on each proposed resolution, a Revesco Group Limited shareholder proxy form is enclosed with this Notice of Meeting together with a reply paid envelope.

Shareholders are entitled to appoint up to two persons to attend the meeting and vote and may specify the proportion or number of votes each proxy is appointed to exercise.

Proxy forms must be deposited at Revesco Group Limited's registry, Computershare Investor Services Pty Limited by using the enclosed reply paid envelope or by posting, delivery or facsimile to:

Revesco Group Limited share registry
Computershare Investor Services Pty Limited
GPO Box D182
Perth, Western Australia 6840
Australia
Delivery: Level 2, Reserve Bank Building, 45 St George's Terrace, Perth, Western Australia, 6000
Facsimile: 61 8 9323 2033,

to be received not less than 48 hours before the time of the meeting.

The proxy form provides details of what you need to do to appoint a proxy to attend and vote for you.

If you appoint the Chairman of the meeting as your proxy and you do not specifically direct how the Chairman is to vote as your proxy, you will be taken to have directed the Chairman to vote in favour of the Resolutions and the Chairman will exercise your votes in favour of the Resolutions.

Voting procedure

As ordinary resolutions, Resolutions 1 and 2 will be approved if at least 50% of the votes cast in person or by proxy by shareholders entitled to vote on the resolution at the meeting are voted in favour.

Resolution 3 is a special resolution and will be approved if at least 75% of the votes cast in person or by proxy by shareholders entitled to vote on the resolution at the meeting are voted in favour.

Under the terms of the Revesco constitution, a poll is to be conducted as directed by the Chairman of the meeting.

Harley Whitcombe
Company Secretary
Revesco Group Limited

Dated: 3 August 2004

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