



Our Ref: CO2 ASX Announce Appendix 3B Options Exercise 06-11-09 (265)

ANNOUNCEMENT NUMBER 265

6 November 2009

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

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

Dear Sir

RE: Appendix 3B
Listed Option Conversion

We wish to advise that the Company has received an application to convert Listed Options to Fully Paid Ordinary Shares.

Enclosed is Appendix 3B giving notice of the new issue and a request for quotation of the new shares.

Should there be any queries with respect to this issue, please telephone Harley Whitcombe on 9321 4111.

Yours faithfully
CO2 Group Limited

A handwritten signature in black ink, appearing to read 'Harley Whitcombe', written over a diagonal line.

Harley Whitcombe

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

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

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

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

Name of entity

CO2 Group Limited

ABN

50 009 317 846

We (the entity) give ASX the following information.

Part 1 - All issues

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

- 1 +Class of +securities issued or to be issued

Fully Paid Ordinary

- 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

291,000

- 3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Fully Paid Ordinary Shares

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes							
5	Issue price or consideration	A\$0.12							
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Exercise of 291,000 Listed Options							
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	6 November 2009							
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>276,987,455</td><td>Fully paid ordinary</td></tr><tr><td>156,136,354</td><td>Options for unissued fully paid ordinary shares exp 12/11/2011 (listed)</td></tr></table>	Number	+Class	276,987,455	Fully paid ordinary	156,136,354	Options for unissued fully paid ordinary shares exp 12/11/2011 (listed)	
Number	+Class								
276,987,455	Fully paid ordinary								
156,136,354	Options for unissued fully paid ordinary shares exp 12/11/2011 (listed)								

⁺ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all	
	+securities not quoted on ASX	
	(including the securities in clause	
	2 if applicable)	
	30,150,189	Convertible pref shares
	2,500,000	Options exp 17/11/2009 (unlisted)
	2,000,000	Options exp 28/02/2009 (unlisted)
	1,000,000	Options exp 15/11/2010 (unlisted)
	500,000	Options exp 21/06/2011(unlisted)
	3,000,000	Options for unissued Fully Paid Ordinary shares \$0.50 31/07/11
	2,000,000	Options for unissued Fully Paid Ordinary shares \$0.60 31/07/11
	1,000,000	Options for unissued Fully Paid Ordinary shares \$0.70 31/07/11
	1,580,000	Options exp 30/11/2012 (unlisted)
	4,500,000	Options exp 02/12/2012 (unlisted)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The shares will rank equally with all other fully paid shares

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not Applicable
12	Is the issue renounceable or non-renounceable?	

+ See chapter 19 for defined terms.

- | | | |
|----|--|--|
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | <p>Names of countries in which the entity has +security holders who will not be sent new issue documents</p> <p><small>Note: Security holders must be told how their entitlements are to be dealt with.</small></p> <p><small>Cross reference: rule 7.7.</small></p> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |

+ See chapter 19 for defined terms.

- 25 If the issue is contingent on
+security holders' approval, the date
of the meeting
- 26 Date entitlement and acceptance
form and prospectus or Product
Disclosure Statement will be sent to
persons entitled
- 27 If the entity has issued options, and
the terms entitle option holders to
participate on exercise, the date on
which notices will be sent to option
holders
- 28 Date rights trading will begin (if
applicable)
- 29 Date rights trading will end (if
applicable)
- 30 How do +security holders sell their
entitlements *in full* through a
broker?
- 31 How do +security holders sell *part*
of their entitlements through a
broker and accept for the balance?
- 32 How do +security holders dispose
of their entitlements (except by sale
through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

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

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

Not Applicable

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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+ See chapter 19 for defined terms.

41 Reason for request for quotation now

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

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

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42 Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 38)

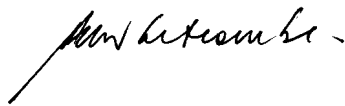
Number	⁺ Class

⁺ See chapter 19 for defined terms.

Quotation agreement

- 1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those ⁺securities should not be granted ⁺quotation.
 - An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


(Director/Company secretary)

Date: 6 November 2009

Print name: Harley R Whitcombe

⁺ See chapter 19 for defined terms.