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ANNOUNCEMENT 287

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Dear Sir

CO2 New Zealand secures the sales mandate for 2.5 million NZ carbon credits

Australian environmental services company CO2 Group Limited, (ASX:COZ) today announced that its overseas joint venture CO2 New Zealand Limited Partnership now has finalised commercial mandates with New Zealand entities for the sale of over 2.5 million New Zealand Units (NZUs).

Mr Andrew Grant, CEO of CO2 Group, said its joint venture in New Zealand is progressing ahead of expectations.

"The NZUs under management now are significant and further updates will be provided as the management of the NZU portfolio grows. Other business areas are also progressing well".

Prices for spot NZUs throughout 2010 have fluctuated between NZ\$17 and NZ\$21 valuing this portfolio update between NZ\$42.5 million and NZ\$52.5 million.

CO2 New Zealand LP is a commercial partnership between the Maori commercial development company Tukia Group, CO2 Group and investment and advisory firm Carbon & Energy Partners.

CO2 New Zealand provides tailored carbon management solutions for; organisations liable under the New Zealand Emissions Trading Scheme; Investors and Land Owners.

CO2 New Zealand operates as a developer, manager, trader and risk manager of physical and financial carbon assets and is quickly becoming the premier carbon reforestation company in New Zealand.

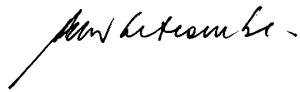
Yours faithfully

CO2 Group Limited

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CO2 Group Limited

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

Harley Whitcombe
Company Secretary

End

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