Our Ref: CO2 ASX Announce Media Release – 2011 Financial Report Broker Presentation (332)

28 November 2011

ANNOUNCEMENT 332

Company Announcements Office
Australian Stock Exchange
Level 6
20 Bridge Street
SYDNEY NSW 2000

By ASX Online
Number of pages: 19
(including this page)

Dear Sir

## 2011 Financial Report Broker Presentation

Enclosed is material summarising the Company's 2011 Financial Year which will be used in broker presentation meetings over the coming week.

Any queries with respect to this announcement should be addressed to the contacts noted below.

Yours faithfully
CO2 Group Limited

Harley Whitcombe
Company Secretary

ENC

For more information contact:

Elise Margaritis: Marketing and Communications Manager, CO2 Australia
03 9928 5111 or 0408 359 977 or elise.margaritis@co2australia.com.au
www.co2australia.com.au

or

Sam Wallman, Six Degrees
02 9230 0661 or 0405 399 430 or sam.wallman@sixdegreesmedia.com.au

# CO2 Group Ltd

November 2011

Creating a better climate

# About CO2 Group Limited

- ASX-listed environmental services company – ASX:COZ
- Australia's largest carbon forest developer
- Low cost, scaleable, accredited carbon offset program that earns revenue from long term management contracts: 30-50 years
- Multiple revenue streams
- Technology company that through unique IP has market leadership
- Blue chip client base

Creating a better climate

# Corporate Snapshot

## Share Price (52 Week Range)
12.5 cents to 28 cents
Currently around 17.5 cents

## Market Capitalisation – as at 21 Nov 2011
$73 million @ 17 cents/share

## Net Cash Position
$34.5 million and no debt

## Shareholders
2,310

## Average Daily Volume
114,144 shares / day

## Shares on Issue
429,451,319

## Top 20
310,851,065

72.38%

## Directors/Staff
6 Directors (4 Executive Directors)
26 Staff

Creating a better climate

# Broad-based environmental services group

## Carbon Sequestration

22,300 hectares of carbon sink plantings under management

## Carbon Banc

Trading of carbon credits and renewable energy certificates

## Yonderr

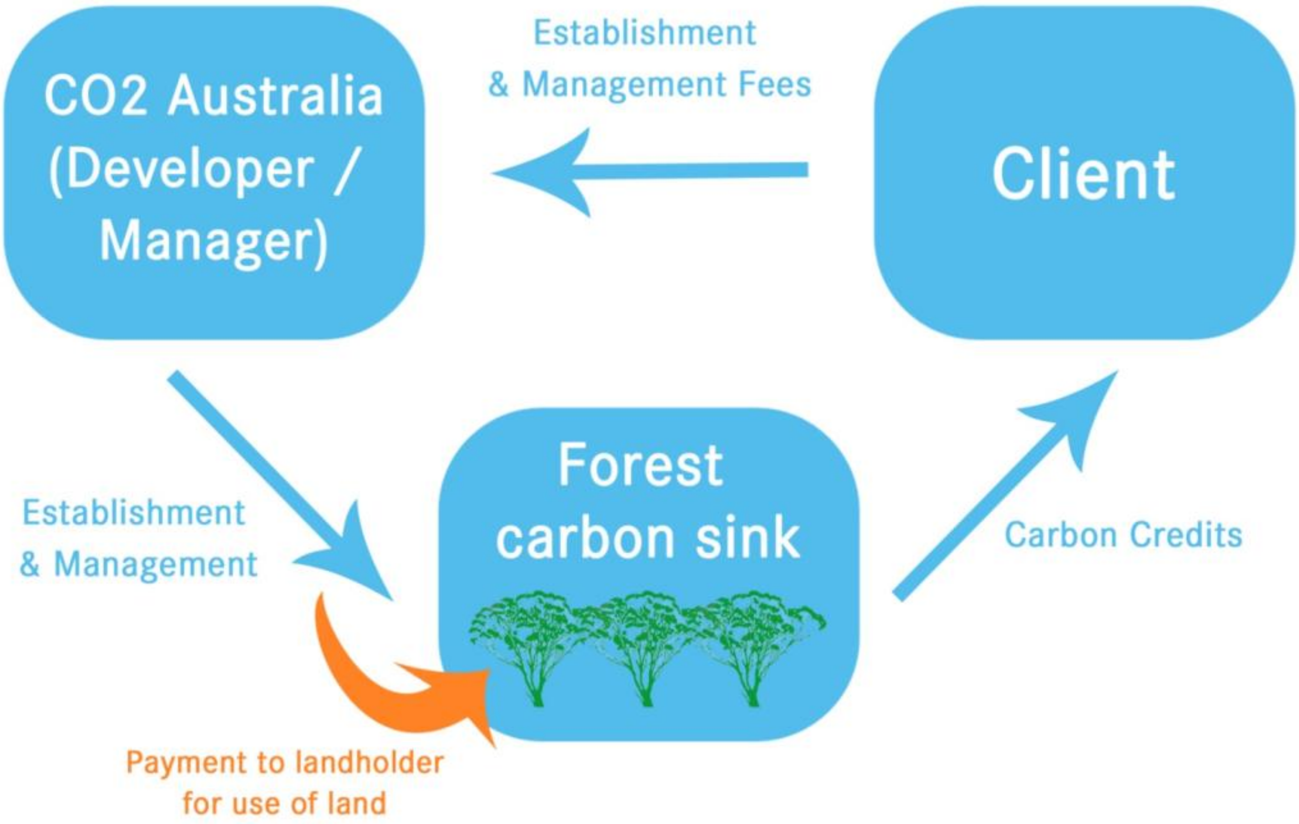
Retail carbon-offset platform

## Environmental Services

Carbon accounting, inventory management, forestry management, mine site rehabilitation

Creating a better climate

# How CO2’s carbon sequestration projects work




Creating a better climate

# FY2011 Financial Highlights*

- Record revenue of $35 million - up from $27 million in F2011 (15mths)
- NPAT of $1.5 million
- EBIT of $2.2 million
- Earnings per share of .52 cents
- Record cash position at November 2011 - $35 million and no debt
- Business successfully diversified with new environmental services
- Corporate overheads stable at $6.5 million annually

* Results are in comparison to a 15 month reporting period for FY2010 due to change in reporting period

Creating a better climate

# FY2011 Operational Highlights

- 22,300 hectares of plantings now under management – up 25%
- Carbon credits trading business launched - Carbon Banc
  - Generated $11 million in revenue since March
- Expansion of New Zealand business ($17M NZ) new contracts to date)
- Launch of retail carbon offset business – Yonderr
- Continuing diversification of services through:
  - Mapping and forestry management
  - Mine site rehabilitation
  - Carbon accounting
  - Environmental markets trading

CO2
Creating a better climate

# A blue chip customer base

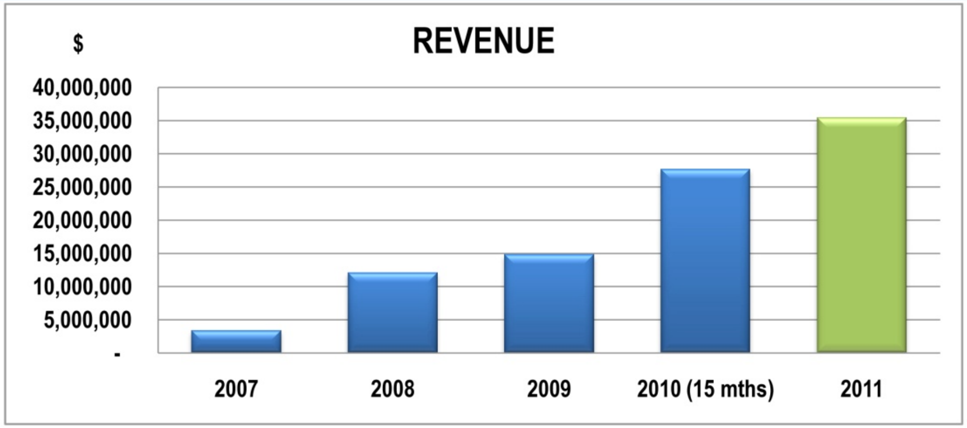
INPEX
Eraring energy
woodside
NEWMONT The Gold Company
RIP CURL

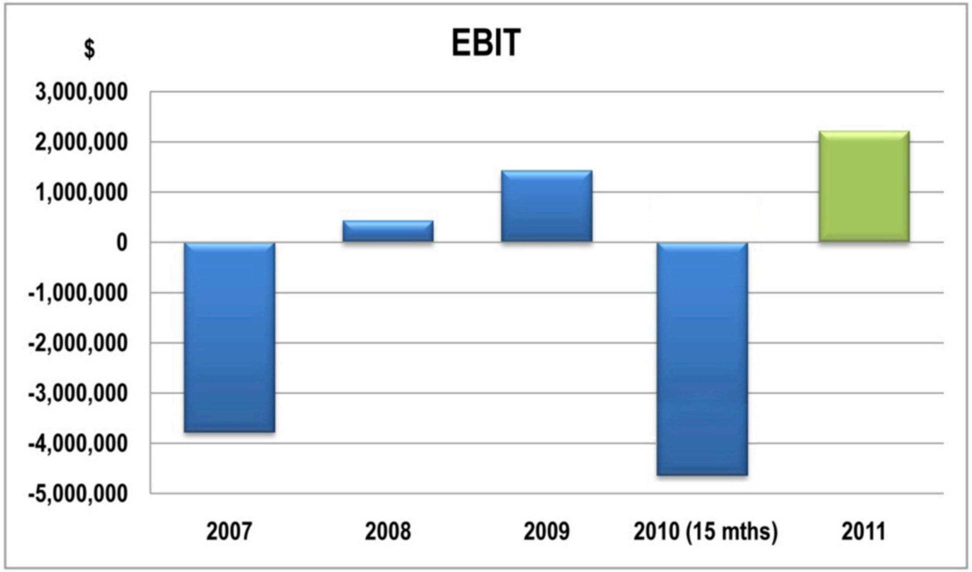
CITY OF SYDNEY
countryenergy
MACQUARIE
wannonWATER
ACTEW CORPORATION
origin

Tasmania Explore the possibilities
QANTAS
Victoria The Place To Be
THE KANSAI ELECTRIC POWER CO.,INC.

Santos
NEWCREST MINING LIMITED
$CO_2$ Creating a better climate

# Revenue and EBIT Trend




Creating a better climate

# Government legislation snapshot

**Carbon Tax**

- 500 companies facing carbon offset challenges
- In effect from 2012 – 15
- Carbon forestry cheaper than tax
- Carbon forestry cheaper than imports
- Able to attract 3rd party investment (e.g. super industry)

**Carbon Farming Initiative (CFI)**

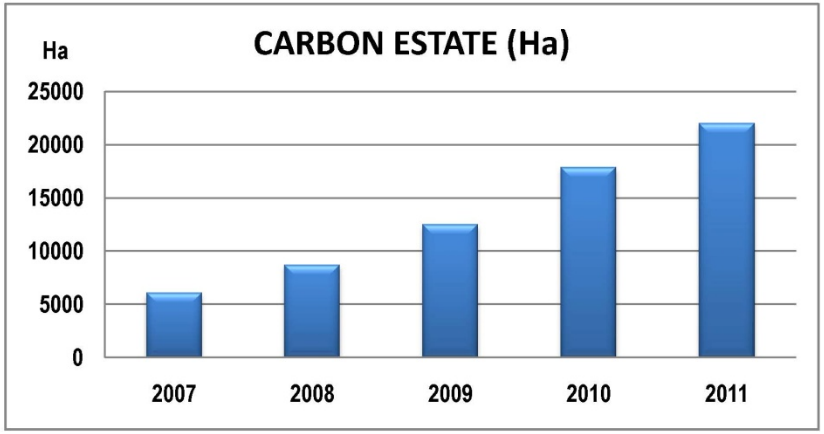
- Incentivises GHG reduction activity in the landscape: forests, agricultural management, soil carbon
- Generates verified carbon credits for domestic & global sale
- Carbon price (July 2012) will stimulate demand
- Only way to lower carbon tax liability

working together for a clean energy future

**Current growth has occurred in uncertain legislative environment – Future growth not dependent on changing policies or governments**

$CO_2$ Creating a better climate

# Carbon Estate


Creating a better climate

# Case Study – Woodside

- State-based carbon reduction obligation for Pluto project
- Carbon forests planted in WA & NSW in 2008, 2009, 2010, 2011
- $100 million contract value
- 50 year management agreement
- Australia’s biggest commercial emissions offset program

woodside

# Case Study – Inpex

- Carbon offset requirement for Ichthys Gas Field Project
- Carbon forests planted in WA in 2008
- Over 400,000 tonnes carbon offset
- 50 year management agreement

INPEX

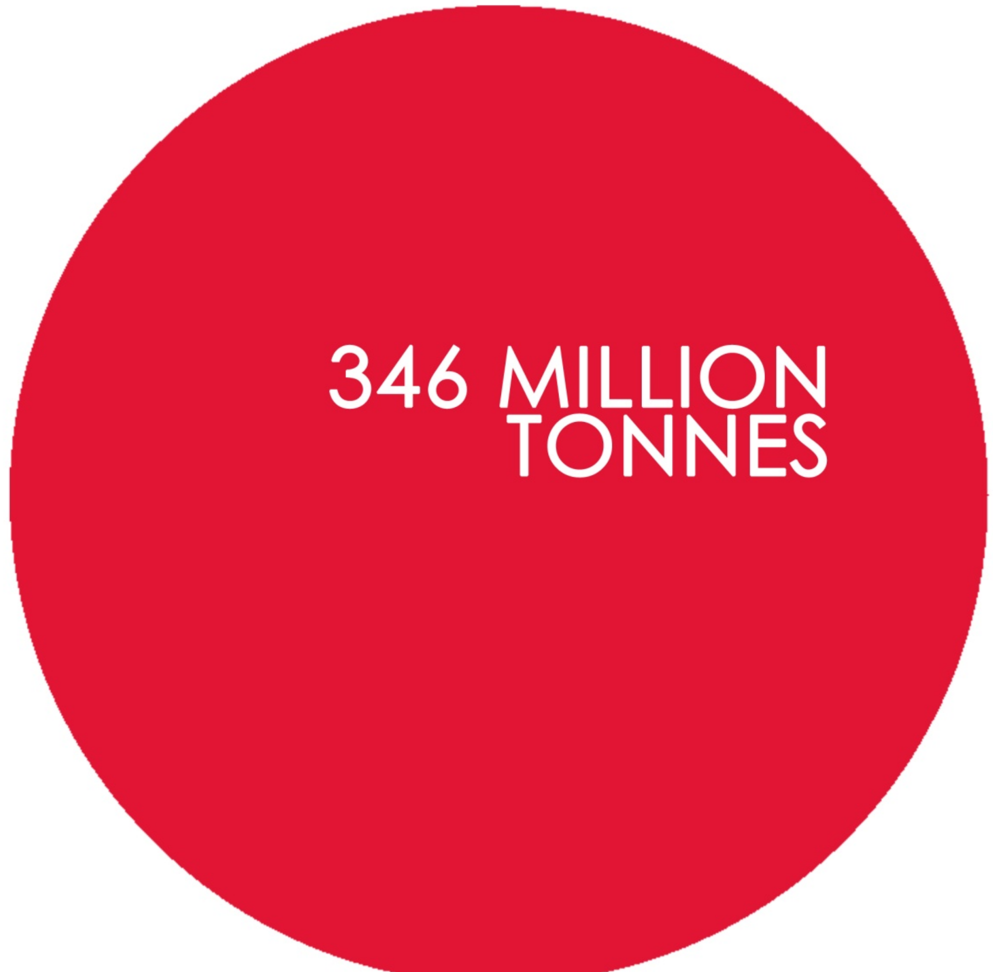
Source: Treasury, '*Strong Growth, Low Pollution: modelling a carbon price - update*', Commonwealth of Australia, September 2011.

## SUPPLY

CO2 AUSTRALIA EMISSIONS OFFSETS


# DEMAND

TOTAL PERMITS SOUGHT IN 2020 TO COMPLY WITH CLEAN ENERGY LEGISLATION



# CO2's Competitive Edge

- Over 8 years experience
- Carbon modelling and R&D over 15 years
- The first to achieve accreditation for reforestation projects under:
  - NSW Greenhouse Gas Abatement Scheme
  - Federal Government's former Greenhouse Friendly™
- Commercial contracts valued at $180 million
- Landmark expansion into New Zealand
- Banksia Environment Awards & UN World Environment Day Awards Finalist
- One of the few profitable carbon companies in the world

Creating a better climate

# Why customers choose CO2

- Most effective way to reduce compliance costs
- A long-term hedge against future carbon price increases
- Proven technology
- Strong track record
- A low-cost, scalable and adaptable program
- A turn key solution for their mandatory (present, imminent) obligation
- Comprehensive carbon solutions: sinks, trading, environment

Creating a better climate

# A strong outlook

- Well positioned for growth with strong cash position - $35 million cash on hand
- No capital required for current growth excluding potential acquisitions
- Solid pipeline of new bidding opportunities
- Current growth has occurred in an uncertain legislative environment – future growth not dependent on changing policies/governments
- Similar growth rates anticipated for FY 2012

**Government legislation is likely to impact 500 large carbon emitters in Australia alone.**
**CO2 currently works 50 companies and is rapidly expanding its customer base.**

CO2
Creating a better climate

# Thank you

Andrew Grant, CEO

CO2 Group

+61 3 9928 5111

andrew.grant@co2australia.com.au

www.co2australia.com.au

Creating a better climate