



Our Ref: CO2 ASX Announce 2011 Annual General Meeting Notice (335)

18 January 2012

ANNOUNCEMENT 335

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

By ASX Online
Number of pages: 11
(including this page)

Dear Sir

Re: Notice of 2011 Annual General Meeting & Proxy

Enclosed are the following CO2 Group Limited documents which will be sent to shareholders today:

- Notice of Annual General Meeting with supporting Explanatory Memorandum; and
- Pro forma Proxy Form.

The Annual Report for the period ended 30 September 2011 which will be sent to those shareholders who have requested a copy was released to the market on 28 November 2011. The Report is available on our web site www.co2australia.com.au.

The Company's Annual General Meeting will be held in Melbourne, on Friday 24 February 2012 at 11.30 am EDST.

Yours faithfully

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

Harley Whitcombe
Company Secretary

ENC

CO2 Group Limited

Level 11, 225 St Georges Terrace Perth WA 6000
PO Box 7312 Cloisters Square Perth WA 6850

Tel. 08 9321 4111 ABN 50 009 317 846
Fax. 08 9321 4411 www.co2australia.com.au



Creating a better climate

CO2 GROUP LIMITED

ABN 50 009 317 846

NOTICE OF ANNUAL GENERAL MEETING

A PROXY FORM IS ENCLOSED

Please read the Notice and Explanatory Memorandum carefully.
If you are unable to attend the Annual General Meeting,
please complete and return the enclosed Proxy Form
in accordance with the specified directions.

NOTICE OF ANNUAL GENERAL MEETING

CO2 Group Limited (ABN 50 009 317 846)

Time: 11.30 am (EDST)
Date: Friday, 24 February 2012
Place: Baker & McKenzie
Sydney Room
Level 19, CBW
181 William Street
Melbourne Victoria 3000

Notice is given of the 2011 annual general meeting of CO2 Group Limited (**Company or CO2 Group**). This notice of meeting is issued by CO2 Group of Level 11, 225 St George's Terrace, Perth, Western Australia.

BUSINESS

The business of the meeting will consist of the following:

ORDINARY BUSINESS

1 FINANCIAL REPORT

To receive and consider the financial report, the directors' report and the auditor's report of the Company for the financial year ended 30 September 2011.

2 REMUNERATION REPORT – RESOLUTION 1

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of section 250R(2) of the Corporations Act, the Company adopt the Remuneration Report as set out in the Annual Report for the financial year ending 30 September 2011."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Shareholders who intend to appoint the Company's Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolutions 1 and 4".

3 RE-ELECTION OF DIRECTOR – RESOLUTION 2

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Ian Norman Trahar retires pursuant to Rule 7.1(d) of the Company's constitution, and being eligible, is re-elected as a director of the Company."

4 RE-ELECTION OF DIRECTOR – RESOLUTION 3

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Christopher David Mitchell, retires pursuant to Rule 7.1(d) of the Company's constitution, and being eligible, is re-elected as a director of the Company."

5 APPROVE INCREASE IN NON-EXECUTIVE DIRECTORS' FEES - RESOLUTION 4

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"In accordance with the Company's Constitution and Rule 10.17 of the Listing Rules of ASX Limited, approve an increase in the maximum aggregate amount of directors' fees payable to non-executive directors by \$150,000 from \$250,000 to \$400,000 per annum, to be divided among them in such a manner as they may determine."

Note: Shareholders who intend to appoint the Company's Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolutions 1 and 4".

VOTING PROHIBITIONS AND VOTING EXCLUSION STATEMENTS

RESOLUTION 1

Voting Prohibition

In accordance with the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- a) a member of the Key Management Personnel (as defined under the heading "Important Information Concerning Proxy Votes on Resolutions 1 and 4"), details of whose remuneration are included in the Remuneration Report; or
- b) a closely related party of such a member.

However, a person described above may cast a vote on Resolution 1 if:

- c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution 1; and
- d) the vote is not cast on behalf of a person described in the paragraphs a) or b) above.

RESOLUTION 4

Voting Prohibition

In accordance with the Corporations Act, a vote on Resolution 4 must not be cast by a person appointed as a proxy if:

- a) the proxy is either:
 - i. a member of the Key Management Personnel; or
 - ii. a closely related party of a member of the Key Management Personnel; and
- b) the appointment does not specify the way the proxy is to vote on Resolution 4.

However, the above prohibition does not apply if:

- c) the proxy is the Chairperson; and
- d) the appointment expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion

In accordance with Listing Rule 10.17.1, and without limiting the voting prohibition set out above, the Company will also disregard any votes cast by or behalf of any Director or their associates. However, the Company need not disregard a vote if:

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

- b) it is cast by a 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.

Shareholders who intend to appoint the Chairperson as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolutions 1 and 4."

HOW TO VOTE

How do you exercise your right to vote?

All holders of ordinary shares appearing on the CO2 Group Limited share register at 5.00pm (EDST) on 22nd February 2012 are entitled to attend and vote at the meeting.

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 appears first 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, may appoint a person to act as its representative. A representative does not have to be a shareholder of CO2 Group. The appointment should comply with section 250D of the Corporations Act. 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. To ensure that all Shareholders can exercise their right to vote on each proposed resolution, a CO2 Group shareholder proxy form is enclosed with this notice of annual general meeting together with a reply paid envelope.

A Shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

Recent changes to the law have impacted on the way proxies vote at Company meetings. Broadly, these changes include that:

- a) if a proxy holder votes, they must cast all directed proxies as directed; and
- b) any directed proxies which are not voted will automatically default to the Chairperson who must vote the proxies as directed.

Please consult your professional adviser for further details.

Proxy forms must be deposited at CO2 Group's registry, Computershare Investor Services Pty Limited by using the enclosed reply paid envelope or by posting, delivery or facsimile to:

CO2 Group Limited share registry

Computershare Investor Services Pty Limited

Mail: GPO Box 242
Melbourne Victoria 3001
Australia

Delivery: Level 2, Reserve Bank Building
45 St George's Terrace, Perth
Western Australia, 6000

Facsimile: 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)
Enquires: 1300 798 306 (within Australia)
+61 3 9415 4830 (outside Australia)

to be received not less than 48 hours before the time of the meeting, that is, by 11.30 am (EDST) on 22nd February 2012.

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

Voting procedure

As ordinary resolutions, Resolutions 1, 2, 3 and 4 will be approved if at least 50% of the votes cast by Shareholders entitled to vote on the resolutions at the meeting are voted in favour of the resolutions.

Under the terms of the CO2 constitution, a poll is to be conducted as directed by the Chairman of the meeting.

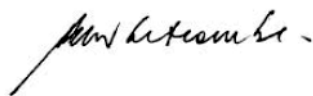
Important Information Concerning Proxy Votes on Resolutions 1 and 4

The Corporations Act now places certain restrictions on the ability of Key Management Personnel and their closely related parties to vote on the advisory resolution to adopt the Remuneration Report and Resolutions connected directly or indirectly with the remuneration of the Key Management Personnel. "Key Management Personnel" has the same meaning given in the accounting standards. Broadly speaking this includes the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Key Management Personnel for the financial year ended 30 September 2011. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control. At the Annual General Meeting, the new laws will impact on Resolutions 1 and 4.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and consider appointing someone other than one of the Key Management Personnel, as such persons may not be able to vote undirected proxies. Shareholders are also encouraged to direct their proxy as to how to vote on all Resolutions. If you do not do so, you risk your vote not being cast.

Undirected proxies held by Key Management Personnel or their closely related parties will not be voted on Resolutions 1 and 4. Similarly, undirected proxies held by the Chairperson will not be voted on Resolutions 1 and 4 unless **you mark the box indicated on the proxy form**. Marking this box will constitute an express authorisation by you directing the Chairperson to vote your proxy **in favour** of both Resolutions 1 and 4 (unless you have exercised your right to direct the Chairperson otherwise by marking the 'against' column in respect of one or both of the relevant Resolutions). This express authorisation acknowledges that the Chairperson may vote your proxy even if he or she has an interest in the outcome of Resolutions 1 and 4 and that votes cast by the Chairperson for those Resolutions, other than an authorised proxy holder, will be disregarded because of that interest.

By Order of the Board
CO2 Group Limited



Harley Whitcombe
Company Secretary

Dated: 17 January 2012

CO2 GROUP LIMITED
ABN 50 009 317 846

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be transacted at the annual general meeting of the Company to be held on 24th February 2012.

At that meeting, Shareholders will be asked to pass resolutions to:

- adopt the Remuneration Report for the financial year ended 30 September 2011;
- re-elect Ian Norman Trahar and Christopher David Mitchell; and
- approve an increase in non-executive Directors' fees.

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to Shareholders in deciding whether or not to pass those resolutions. This Explanatory Memorandum should be read in conjunction with the accompanying notice of annual general meeting.

ORDINARY BUSINESS

CONSIDERATION OF FINANCIAL REPORTS

The Corporations Act requires that the Financial Report, Directors' Report and the Auditor's Report of the Company be laid before the Annual General Meeting. Whilst the Corporations Act does not require shareholders to approve these reports, Shareholders will have the opportunity to raise questions in respect to these reports at the meeting.

As a Shareholder, you are entitled to submit a written question to the auditor prior to the meeting provided that the question relates to:

- the contents of the Auditor's Report; or
- the conduct of the audit in relation to the Financial Report.

All written questions must be received by the Company no later than five business days before Friday, 24 February 2012. All questions must be sent to the Company and may not be sent directly to the auditor. The Company will then forward all questions to the auditor.

The Company's auditor or his representative will be present at the meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in preparing its Financial Report, and the independence of the auditor.

RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT FOR THE FINANCIAL YEAR ENDING 30 SEPTEMBER 2011

The Annual Report for the financial year ended 30 September 2011 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for Directors and Specified Executives.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on the resolution is advisory only and is not binding on the Directors or the Company.

A reasonable opportunity will be allowed for the Shareholders to ask questions about and make comments on the Remuneration Report.

The Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Directors (other than a managing director) who were in office at the date of the approval of the applicable Directors’ Report must stand for re-election.

If you intend to appoint a member of the Key Management Personnel (including any Director or the Chairperson) or their closely related parties as your proxy, please refer to the important information contained in the Notice of Meeting under the heading “Important Information Concerning Proxy Votes on Resolutions 1 and 4”.

RESOLUTION 2 - RE-ELECTION OF DIRECTOR

Ian Norman Trahar B.Ec, MBA

Mr Trahar has a resource and finance background. He is a director and significant shareholder of Avatar Industries Pty Ltd and he was a director and Chairman of the listed company Kresta Holdings Limited until 14 March 2011. He is a member of the Australian Institute of Directors.

Mr Trahar retires pursuant to Rule 7.1(d) of the Constitution and being eligible, seeks re-election.

RESOLUTION 3 - RE-ELECTION OF DIRECTOR

Christopher David Mitchell PhD, BSc (Hons). GAICD

Dr Mitchell has PhD in biology from the University of Melbourne, is a graduate of the Australian Institute of Company Directors and has a 20 year involvement in Australian and international climate research. He is Adjunct Professor at the School of Environmental Science Murdoch University. Prior to joining CO2 Group full time Dr Mitchell was Foundation Director of the Centre for Australian Weather and Climate Research, a partnership between CSIRO and the Bureau of Meteorology, and was CEO of the Cooperative Research Centre for Greenhouse Accounting. He chaired the Victorian Climate Change Minister’s Reference Council on Climate Change Adaptation and is on the CSIRO’s Environmental and Natural Resources Sector Advisory Committee.

Dr Mitchell retires pursuant to Rule 7.1(d) of the Constitution and being eligible, seeks re-election.

RESOLUTION 4 – APPROVAL OF INCREASE IN NON-EXECUTIVE DIRECTORS’ FEES

Background

The Company seeks shareholder approval for an increase in non-executive Directors’ fees of \$150,000 per annum from the current level of \$250,000 to \$400,000 per annum in accordance with the Company’s Constitution and Rule 10.17 of the Listing Rules of ASX Limited. The Board determines the distribution of non-executive Directors’ fees between each individual non-executive Director.

The current maximum aggregate amount payable to non-executive Directors of \$250,000 was approved by shareholders in 2001.

The proposed increase will allow the board to attract, motivate and retain highly skilled non-executive Directors in guiding the Company forward.

The remuneration of each Director for the year ended 30 September 2011 is detailed in the Company’s 2011 Annual Report.

If you intend to appoint a member of the Key Management Personnel (including any Director or the Chairperson) or their closely related parties as your proxy, please refer to the important information contained in the Notice of Meeting under the heading “Important Information Concerning Proxy Votes on Resolutions 1 and 4”.

Directors’ Recommendation and Open Proxies

The Board recommends that Shareholders vote in favour of each of Resolutions 2 and 3. The Chairperson will vote undirected proxies in favour of Resolutions 2 and 3.

The Board (other than the non-executive Directors) recommends that Shareholders vote in favour of Resolution 4. Given the interest of the non-executive Directors in Resolution 4, they make no recommendation on that Resolution.

In respect of Resolutions 1 and 4, Shareholders should refer to the important information above under the heading “Important Information Concerning Proxy Votes on Resolutions 1 and 4”.

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 798 306
(outside Australia) +61 3 9415 4830

000001 000 COZ
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 11:30am (EDST) Wednesday 22 February 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View the annual report, 24 hours a day, 7 days a week:

www.co2australia.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of CO2 Group Limited hereby appoint

☐

the Chairman
of the Meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of CO2 Group Limited to be held at Baker & McKenzie, Sydney Room, Level 19, CBW, 181 William Street, Melbourne, Victoria 3000 on Friday, 24 February 2012 at 11:30am (EDST) and at any adjournment of that meeting.

Important for Resolutions 1 and 4 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 as set out below and in the Notice of Meeting and you are also expressly authorising the Chairman of the Meeting to exercise your proxy on Resolution 4.

If you do not mark this box, and you have not directed your proxy how to vote on Resolutions 1 and 4, the Chairman of the Meeting will not cast your votes on Resolutions 1 and 4 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Resolutions 1 and 4).

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 1 and 4.

☐

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 (except where I/we have indicated a different voting intention below) and I/we also expressly authorise the Chairman of the Meeting to exercise my/our proxy on Resolution 4. I/We acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel and/or even if the Chairman of the Meeting has an interest in the outcome of these Resolutions and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
Resolution 1 Remuneration Report	☐	☐	☐
Resolution 2 Re-election of Director - Ian Norman Trahar	☐	☐	☐
Resolution 3 Re-election of Director - Christopher David Mitchell	☐	☐	☐
Resolution 4 Approve Increase in Non-Executive Directors' Fees	☐	☐	☐

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

COZ

999999A

Computershare +