



Our Ref: CO2 ASX Announce Media Release – Aquaculture Project Pre-Feasibility Completed (387)

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ANNOUNCEMENT 387

Market Announcements Office  
Australian Securities Exchange  
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20 Bridge Street  
SYDNEY NSW 2000

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Dear Sir,

### Western Australian Resources Limited Completes Pre-Feasibility Report for Project Sea Dragon

- Pre-Feasibility Report completed on proposed development of 10,000 ha prawn production enterprise, able to be developed in a series of modular stages;
- CO2 Group committed to securing a partner to progress to next stage of project (Bankable Feasibility);
- Discussions with potential off take and JV partners continues to progress well with three Australian and six Offshore companies in the Data Room.

CO2 Group Limited is pleased to announce completion of the Pre-Feasibility Study (PFS), the second significant project development milestone for Project Sea Dragon, being undertaken by its subsidiary Western Australian Resources Limited (WARL).

Project Sea Dragon is a world class industrial-scale marine protein development project in Northern Australia seeking to grow and export reliable long-term supplies of sustainable, high quality volumes of Black Tiger Prawns – one of the worlds most highly traded seafood commodities – to international markets, primarily in Asia.

CO2 Group's CEO Andrew Grant said "the Company continues to advance the Project and is pleased that the milestones continue to be met in a timely fashion. The Project is of world standard and has the capacity to supply large volumes of high quality protein product to the international and Australian markets. He also said 'it was encouraging to see so many potential partners undertaking due diligence on the Project'".

Key findings of the PFS Report were:

- Confirmation of the Projects robust economics and the positioning of the Project in the lowest quartile of the lowest cost producers.
- The selected project option is to develop an integrated production model involving the following infrastructure:
  - Feed Mill – to produce a range of feeds for different growth stages of prawns (including sourcing of raw input materials such as grains and animal meal components) of up to 200,000 tonnes per annum;
  - Hatchery & Breeding Centres – to produce up to 100 million juvenile prawns per week for supply to the grow out farms;
  - Grow out farms located at one or two of a total of five potential sites in Northern Australia which meet the required development criteria for the entire development. Preferred sites have been selected for the Bankable Feasibility Study (BFS) work going forward with all sites having secure option agreements in place;
  - A Processing Plant capable of processing (cleaning, grading, freezing and packaging) up to 500 tonnes of product per day; and

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CO2 Group Limited is a corporate authorised representative ("CAR") (Number 420079) of Valuestream Investment Management Limited (ACN 094 107 034 AFSL 246621). The Group's licence numbers are: CO2 Group Limited (CAR # 420079); Carbon Banc Limited (CAR # 420080); CO2 Australia Limited (CAR # 420081).

- Ancillary infrastructure to be developed by WARL or others including:
  - A power station of 100 – 120 MW installed capacity;
  - Energy supply to the power station – including up to 500 KL of diesel fuel or 20 TJ of gas per day;
  - Port/wharf upgrades; and
  - Road and township infrastructure upgrades.
- The CAPEX for the project is still within the estimated range derived from the Concept Study.
- The overall project is modular and scalable – as a consequence it can be developed in three to five stages, with only slight timing changes to the overall project economic performance.

WARL's Managing Director Robert Bell said 'the Pre-Feasibility stage represents a critical milestone, whereby the PFS has assessed the range of possible development sites and business cases and we have now selected and recommended a preferred development option'.

The Company as previously advised has continued to meet with potential partners, including companies interested in joint venture operations and potential investors for part of, or the entire Project. At this stage, a total of three Australian and six international companies had registered expressions of interest in the project and have been provided access to a comprehensive online data room in order to undertake further due diligence on joining with WARL as a funding partner of the BFS.

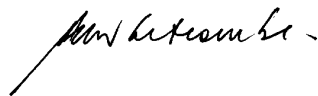
The final stage of WARL's feasibility process is the BFS which will encompass the key areas of detailed site specific engineering design; technical studies; environmental and social studies; and an early stage breeding programme for the prawn stock.

Australian Government policies continue to highlight the need for major agribusiness business development such as Project Sea Dragon in Northern Australia and the Company is pleased with the positive engagement and support of State, Territory and Federal governments in advancing the Project.

The Company will continue to provide regular progress updates as key ongoing steps in the Project are completed including finalisation of land acquisition, offtake agreements, joint venture partner agreements, and completion of the BFS.

Please refer any queries to Rob Bell (WARL Managing Director) on +61 8 9321 4117.

Yours faithfully,  
CO2 Group Limited



Harley Whitcombe  
Company Secretary

#### About WARL

Western Australian Resources Limited is a wholly-owned subsidiary of the CO2 Group Limited (ASX: COZ). WARL's vision is to develop a new, transformational agri/food enterprise in Australia through sustainable development of large-scale aquatic protein production systems. Leveraging off CO2 Group's expertise in sustainability project delivery track-record, WARL is currently undertaking feasibility studies to site, design and develop the first development of its vision – Project Sea Dragon – a world class, land-based prawn farming enterprise in northern Australia, to deliver reliable long-term supplies of sustainable, high quality volumes – of the world's most highly traded seafood commodity – to international markets, primarily in Asia.