



CO2 Group Limited

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ANNOUNCEMENT 219

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

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Dear Sir

Media Release

CO2 Group announces \$5m carbon sequestration deal with INPEX Browse Ltd

CO2 Group Limited (CO2 Group) is pleased to announce that the company's 100% owned subsidiary CO2 Australia Limited (CO2 Australia) has reached agreement with INPEX Browse Ltd on a Biosequestration Assessment Project to assess its potential in respect of the Ichthys field development.

INPEX Browse Ltd is operator of the Ichthys Project, a joint venture between Japan's largest oil and gas company INPEX Corporation and the world's fourth largest oil and gas company Total of France.

Under the carbon biosequestration project, CO2 Australia will establish and manage mallee tree environmental plantings in a project designed to biosequester CO2 by planting trees on previously cleared agricultural land in Western Australia. The program will commence with the establishment of seedlings in the 2008 planting season.

CO2 Australia on behalf of INPEX Browse Ltd will accredit the project under the Greenhouse Friendly™ Program, which ensures that the environmental plantings meet the strict compliance obligations under the Federal Government greenhouse program including additionality, permanence and third party greenhouse gas accounting audit procedures and requirements. CO2 Australia was the first company to be accredited under the Greenhouse Friendly™ Program for biosequestration. Accreditation was achieved in March 2007.

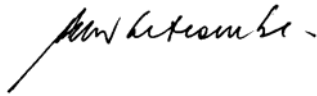
The biosequestration project has an estimated contract value of around \$5 million, with the majority of the contracted value being generated in the 2008 planting season.

CO2 Group's Chief Executive Officer Mr Andrew Grant stated "CO2 Australia is delighted to be selected by INPEX Browse Ltd to undertake their first carbon



biosequestration program in Australia. This transaction highlights the growing international recognition and interest in our CO2 AUSTRALIA™ Carbon Sequestration Program. We now have a number of carbon biosequestration projects being undertaken for numerous clients in New South Wales, Victoria and Western Australia in the current 2008 planting season”.

Yours faithfully
CO2 Group Limited



Harley Whitcombe
Company Secretary

Media: for more information please contact Emily Staniforth, Wilkinson Media: 0402 349 856

About CO2 Australia:

CO2 Australia creates carbon credits by establishing long-term, commercial-scale mallee Eucalypt environmental plantings. It is one of the biggest providers of offsets generated by trees in Australia.

CO2 Australia was the first forestry company to be accredited under the NSW Greenhouse Gas Abatement Scheme, and is also the first reforestation company to be accredited under the Federal Government’s Greenhouse Friendly™ Program. It was the first Australian company to become a participant member of the largest voluntary carbon market in the US – with its membership to the Chicago Climate Exchange (CCX).

CO2 Australia’s environmental planting program has been awarded and nominated as a finalist in numerous major Australian and international environmental and sustainability award events.

For more information visit www.co2australia.com.au .

