



CO2 Group Limited

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Dear Sir

Eraring Energy commits to new environmental planting with CO2 Group in 2009

Eraring Energy (Eraring) has committed to undertake a new mallee eucalypt environmental planting with CO2 Group for the purpose of offsetting greenhouse gas emissions. Eraring has exercised its 2009 uplift notice under the previously announced 2005 Eraring/CO2 Agreement (CO2 ASX Announcement 107).

Eraring is one of Australia's largest electricity generation companies operating in the National Electricity Market. Eraring manages a diverse set of electricity-generating assets located throughout New South Wales and has a combined generating capacity of over 3,000 megawatts (MW), including Eraring Power Station at 2,640MW, which is Australia's equal largest.

CO2 has successfully completed mallee eucalypt environmental plantings for Eraring in the wheat-belt regions of New South Wales in the 2006, 2007 and 2008 planting seasons.

CO2 Australia (100% subsidiary of CO2 Group) will continue to design, establish, and manage the plantings on behalf of Eraring over a 30 year contracted period. CO2 will also accredit the plantings under the NSW Greenhouse Gas Abatement Scheme (NSW GGAS) in order to create NSW Greenhouse Gas Abatement Certificates (NGACs) and will seek accreditation into the Federal Carbon Pollution Reduction Scheme.

CO2 Australia (and its related entities) have continued to create and register the NGACs (carbon credits) on behalf of Eraring from its 2006 and 2007 planting programs. This new 2009 environmental planting will enhance the already completed planting programs.

CO2 Groups CEO Mr Andrew Grant said "It is pleasing that Eraring, an existing CO2 client, has again committed to extend its relationship with CO2 Group".



“Eraring is one of our bigger clients and as one of the largest providers of electricity in NSW, reaffirms CO2 Group’s position as the market leader in the provision of carbon offsets through the planting of trees.”

“We see these tree plantations as part of our carbon offset strategy and we now have confidence they will have significant value in future as the Federal emission trading scheme is introduced.” said Eraring’s Managing Director Peter Jackson.

Please contact CEO Mr Andrew Grant on 03 9787 9766 with any shareholder queries.

Yours faithfully
CO2 Group Limited



Harley Whitcombe
Company Secretary

- ENDS -

Media for further information contact: Emily Staniforth, Wilkinson Media, 0402 349 856.

CO2 Australia Limited (CO2A is a 100% owned subsidiary of ASX listed CO2 Group Limited) creates carbon offsets on behalf of clients by establishing long-term, commercial-scale mallee eucalypt environmental plantings. The Company’s planting program has been awarded a number of Australian and international environmental and sustainability awards. It remains the biggest provider of carbon offsets generated by environmental plantings across Australia.

The Company has generated significant intellectual property regarding its environmental planting program and has invested considerable funds to ensure the scalability of its planting program.

CO2A was the first carbon sink company to be accredited under both the [NSW GGAS](#), and the Federal Government’s [Greenhouse Friendly™](#) Program. The Company is also the first Australian company to become a member of the Chicago Climate Exchange – America’s largest voluntary carbon market.

