



CO2 Group Limited

ABN 50 009 317 846

Level 11 225 St Georges Terrace

Perth Western Australia 6000

PO Box 7312 Cloisters Square

Perth Western Australia 6850

Phone (08) 9321 4111

Facsimile: (08) 9321 4411

www.co2australia.com.au

Our Ref: CO2 ASX Announce Media Release – Chairman’s Address (243)

20 November 2008

ANNOUNCEMENT 243

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

By ASX Online
Number of pages: 2
(including this page)

Dear Sir

CHAIRMANS ADDRESS 2008 ANNUAL GENERAL MEETING

Following is CO2 Group’s Chairman’s address to the Company’s Annual General Meeting to be held at 10.00 am today:

“The 2007/08 year witnessed operational profitability; the first step.

The 2008/09 year will witness substantially increased revenues and operating cash flow, resulting from additional pilot programs with a number of new and existing customers.

Your Company is debt free with current cash reserves in excess of \$8.0 million.

The release of the Federal Governments White Paper for the Carbon Pollution Reduction Scheme is due in December. The contents of the White Paper are critical to your Company’s prospects.

Much of this calendar year has focused upon scaling up the CO2 Australia business model to identify capacity constraints with actions to increase our revenue capability and profit potential. The Company has determined its scale potential over the next two years and determined targets beyond.

With a view to our substantial scale up opportunity we have invested more in overhead, noting that your Company has a low fixed cost structure principally being staffing overhead and consequently high operational leverage to increasing scale of operations.

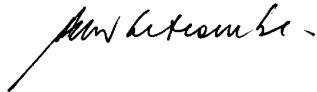
The Company’s commitment to continuing Research and Development expenditure is significant for a company of our size. During the 2007/08 financial year we invested some \$750,000. This investment is increasing as we develop further species and investigate additional landscapes to further scale our business.



During September of this year our company completed the 100% acquisition of the Oil Mallee Company; the financial and strategic benefits of this purchase are already being recognised.

Whilst the current tenuous state of global equity markets is concerning, your Company's business is well funded, increasingly better managed and importantly has substantial earnings growth potential in an emerging carbon constrained world."

Yours faithfully
CO2 Group Limited



Harley Whitcombe
Company Secretary

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

