



Our Ref: CO2 ASX Announce Media Release – ACTEW (271)

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ANNOUNCEMENT 271

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

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Dear Sir

**CO2 Australia Limited (CO2 Australia) and ACTEW Corporation Limited (ACTEW)
expand carbon deal**

Australia's largest provider of dedicated carbon sink plantings, CO2 Australia, a wholly owned subsidiary of publicly listed CO2 Group Limited (CO2 Group), has accepted a request from a current client, ACTEW, to increase the planting project size by at least 50%. The project, including the increased plantings, is accompanied by a 30 year management agreement with ACTEW.

The expanded agreement will see CO2 Australia provide ACTEW with an estimated 337,000 tonnes of carbon credits over 30 years at a cost of approximately \$6.6m. The majority of the project value will be realised in 2010 with the forest carbon sink being established during that year.

ACTEW is an unlisted public company owned by the ACT Government with assets and investments in water, wastewater, electricity, gas and telecommunications.

CO2 Group Chief Executive Officer, Mr Andrew Grant said he is pleased that yet another CO2 Group customer is expanding their project and involvement with CO2 Australia. We congratulate ACTEW's commitment to the environment regardless of the passage of the Carbon Pollution Reduction Scheme ("CPRS").

The forest carbon sink being developed by CO2 Australia for ACTEW will be Kyoto compliant and established in accordance with draft CPRS legislation.

ACTEW joins other CO2 Group partners including Woodside Energy, Eraring Energy, INPEX Browse, Origin Energy, Qantas Airways, Macquarie Bank, Kansai Electric Power, Wannon Water Corporation, City of Sydney, Big Day Out and the Victorian Government.

CO2 Group Limited

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Yours faithfully
CO2 Group Limited

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

Harley Whitcombe
Company Secretary

End

Issued by:
Andrew Grant: CEO, CO2 Group Limited

For more information:
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