

14th October 2009



m2m Corporation Limited
ABN 34 006 648 835

**THE MANAGER
COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

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Dear Sir/Madam

- **m2m to acquire business of Carbon Planet Limited**
- **CPL strongly established and well positioned in this multi-billion dollar global industry-Australia's first listed multi-service carbon credit company**
- **CPL and strategic suppliers will originate, register and sell carbon credits**
- **Significant carbon credit asset bank acquired by activities in South East Asia, Central Asia and South America**
- **Landmark sale of up to 10m carbon credits per annum being finalised**

m2m Corporation Limited ("m2m") (ASX: "MCL") is pleased to announce that via its subsidiary Carbon Planet International Pty Ltd it has signed a contract to purchase the business and net assets of Carbon Planet Limited ("CPL").

Established in 2000 CPL has built a leading position in the carbon credit industry. Its integrated business covers aspects of this rapidly growing global industry. m2m's CEO Peter Saunders said "This investment represents an exciting opportunity to develop broad commercial activities in the rapidly expanding carbon credit economy and lead the development of rain forest credits under international standards (REDD)".

The carbon credit market is a rapidly growing area with independent research indicating that the voluntary market for Verified Emission Reduction (VER's) units has doubled over the past two years - 2007 US\$335 million and 2008 US\$705 million. With the USA now stating that they will participate in the "Carbon Market" (Waxman-Markey Bill) the market size is expected to increase significantly.

The size of the overall carbon credit trading market (which includes both voluntary and compliance credits ie those mandated by country specific legislation such as the proposed ETS in Australia) was US\$116 billion in 2008 and is expected to be US\$2-3 trillion by the year 2020.

The acquisition brings rights to develop projects that are capable of originating both voluntary and compliance credits. The immediate focus is registering credits under the internationally recognized Voluntary Carbon Standard (VCS) and concluding sales of those credits using industry standard forward purchase agreements. Pursuant to a term sheet, a contract for 10 million REDD credits is being finalised with an industry leader. The agreement also provides an option for sales of further credits from CPL projects.

Currently, CPL is working with land owners pursuant to development contracts to have recognised REDD credits for multiple projects. Projects have been sourced through relationships with land owners and project developers in South East Asia, Central Asia, and South America. These projects are at various stages of development from initial submissions to highly advanced submissions subject to independent expert verification and validation against the VCS. These projects have the potential to generate a substantial number of REDD credits over the next one to five years and the potential in the later years to develop credits immediately tradable in the compliance markets.

CPL has developed a business providing carbon footprint analysis and remediation advice through a commanding network of mid-tier accounting firms. These firms are the window for the majority of Australian businesses to seek advice on how to manage the impact of carbon economy on their competitiveness and compliance. This business is based on favoured relationships and sophisticated software to streamline processes and support executive decision making. CPL franchised the rights to operate this business in 2008 and is seeking to re-acquire these activities and in turn transfer them to m2m.

Subject to shareholders' approval, m2m will consolidate its existing shares 20 to 1 resulting in approx 75 million shares on issue and will issue a further 50 million shares and take responsibility for certain nominated trading debts to purchase the CPL business and assets.

Up to a further 100 million shares will be issued on the CPL business progressively reporting annualised EBITs of \$12 million, \$18 million and \$30 million. These EBIT targets have to be met by no later than 30th June 2012.

The agreement is subject to conditions precedent associated with regulatory and shareholder approval, the conclusion of certain commercial dealings which are at advanced stages of negotiation and a fund raising. Both parties believe that, at this point in time, these will be satisfied.

There is also provision for Executive incentive options subject to achieving further, stretch targets and one option to be granted to m2m shareholders for every five shares held at the record date. Full details of shares to be issued and the specifics of the transaction will be advised in the notice of shareholders' meeting.

m2m will be conducting a capital raising of \$10 million (to be concluded simultaneously with the Completion of the transaction). The completion date will be determined by the Shareholder meeting to be held by m2m (expected to be no later than the end of November 2009) when the necessary resolutions will be put to the shareholders.

m2m has invited Dr. Ross Williams and James Johnson from CPL to join the Board from completion and for all key employees to transfer to m2m to retain the extensive capabilities that have been developed in this new industry.

For further information contact:

Ian Clarkson (Executive Chairman) 0438 399 751

Peter Saunders (CEO) 0416 228 404

Yours faithfully
m2m Corporation Limited



per Mourice Garbutt
Company Secretary

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About m2m Corporation Limited

m2m Corporation Limited (ASX: MCL) (“m2m” or “the Company”) is an ASX-listed technology investment company. The Company has active investments in Telecommunications and Broadband Telephony, Online Portal and Software Development and Digital Video.

A significant investment is “Bluefish” which is the professional’s choice, market leader in the development and supply of high definition and standard definition video cards to film and broadcasting specialists worldwide. Its cutting edge products are highly regarded in the industry and are used by major film studios and broadcasters like Sony PCL and Channel 7.

For more information, please visit: www.m2mcorp.com.au and www.Bluefish444.com

About Carbon Planet Limited

A global carbon management company, Carbon Planet brings together scientific expertise, industry experience and business insights to deliver an integrated suite of carbon management services including:

- Carbon Commerce: scientific analysis and consultancy to facilitate the creation of carbon credits from valid projects, aiding business to maximise commercial opportunities
- 'My Carbon Planet': inspiration, education and facilitation of carbon management for individuals
- Audit & Advisory: provision of methodologies and processes to deliver greenhouse gas emissions assessment, energy reduction and carbon management services.

For more information, please visit: www.carbonplanet.com