

20 July 2009



**m2m Corporation Limited**  
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## **ASX Announcement**

### **m2m and Carbon Planet Limited to merge**

- **Worldwide carbon business to leverage existing Telco/Technology businesses**
  - **\$117m market cap of merged entity**
- **Exclusive rights to certify and trade large portfolio of REDD carbon credits**
  - **\$10m equity raising**
  - **Carbon Planet directors to join m2m Board**

20 July 2009, Melbourne: Telecommunications and investment company m2m Corporation Limited ("m2m") (ASX : MCL) and unlisted public company Carbon Planet Limited ("Carbon Planet") have executed a legally binding term sheet to complete a Scheme of Arrangement ("Arrangement") between the two companies.

The merger is subject to some commercial conditions precedent, the completion of joint due diligence and the approval of the Arrangement by the shareholders of m2m and Carbon Planet, and the Court.

Carbon Planet is expecting completion of certification and its first trade of avoided deforestation credits prior to the completion of the transaction.

As part of the Arrangement m2m will:

- consolidate its shares by 20 to 1 resulting in total issued capital of up to approximately 75 million shares
- issue Carbon Planet shareholders with approximately 464 million shares in m2m
- raise \$10 million at 20 cents per share.

The Arrangement also specifies that the first \$10 million realized from m2m's existing technology investments during the three years following completion will remain with all m2m shareholders. Any amounts above this initial \$10 million will be distributed to m2m shareholders registered at a record date which will be prior to the Court approval date.

The Board of Directors of m2m will comprise the existing three m2m directors and the three current Carbon Planet directors. The Carbon Planet directors are James Johnson, Dr Ross Williams and David Sag. The existing Carbon Planet Executive Chairman and CEO, James Johnson, and the m2m Executive Chairman, Ian Clarkson, will continue as Executive Directors.

The merged entity will have an initial market capitalisation in excess of \$117 million.

Carbon Planet has provided climate change services since 2005 when it started developing software and business methodologies to enable enterprises to measure and manage their carbon emissions. The company then moved to develop business strategies around the emerging global carbon economy including the carbon credit origination market.

A large part of Carbon Planet's business is developing projects that protect the world's rainforests from destruction. Carbon Planet provides the scientific and certification services that will result in the awarding of carbon credits under the relevant independent international standards. Carbon Planet will then sell the resultant carbon credits on behalf of the rainforest owners.

This market mechanism is called Reducing Emissions from Deforestation and Degradation. REDD carbon credits assist in the offsetting of carbon emissions by governments and enterprises. In 2008, approximately US\$126 million worth of voluntary credits were traded globally. Depending on the price of these credits, this trade is expected to increase to US\$14.2 billion by 2020.

Carbon Planet was one of the first organizations to recognise the growing importance of REDDs to the global climate change agenda and as a consequence has made a significant investment in developing REDD projects.

Carbon Planet has secured a number of exclusive contracts to develop REDD projects in the Asian region. The methodology and verification processes for the first projects are at an advanced stage. Other projects are at varying stages of development.

Certified REDD projects will enable the landowners/inhabitants of rain forests to receive an ongoing annual income stream from protecting their forests.

m2m and Carbon Planet believe that m2m's North Asian business partners will assist in Carbon Planet developing projects in this area, especially in China.

Carbon Planet has also secured a number of exclusive agreements in South Asia, Central Asia and the Middle East to develop Certified Emission Reduction carbon credit (CER) projects. These carbon credits are certified through the Clean Development Mechanism (CDM) that will upon completion produce complying CERs as defined by the Kyoto Protocol. In 2008, approximately US\$126 billion worth of CERs and other carbon credits were traded globally. Depending on the price of CERs, this trade is expected to increase to US\$3 trillion by 2020.

Carbon Planet provides project finance and in some cases accrues service fees to help fund some of the upfront costs associated with developing the projects and contracts. These are advances and repayable upon a receipt of funds from deposits for forward contracts or sales. Carbon Planet receives commissions and repayment of its service fees from the sales proceeds.

m2m, incorporating Carbon Planet, will be the first Australian listed entity providing full services in carbon trading activities.

The proposed timetable, subject to Court scheduling, is set out below.

**Enquires:**

**Ian Clarkson (Executive Chairman)**  
**m2m Corporation Limited**  
**0438 399 751**

**James Johnson (Chairman and CEO)**  
**Carbon Planet Limited**  
**0438 801 248**

**Rudi Michelson**  
**03 9620 3333**  
**Monsoon Communications**

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<b>Proposed Timeline for Completion of the Transaction</b>
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1	Execution of term sheet pursuant to authorities from each company's Board and announcement to the ASX	20 July 2009
2	Completion of mutual due diligence	10 August 2009
3	Satisfaction of conditions precedent and execution of Merger Implementation Agreement	19 August 2009
4	Approval of Scheme Documentation, Notices of shareholders' meetings and Explanatory Memorandum	26 August 2009
5	Lodgement of notice of meeting and Scheme documentation with ASX and, where required, with ASIC	27 August 2009
6	Lodgement of application with Court	4 September 2009
7	Court hearing	18 September 2009
8	Dispatch Scheme documents and notices of Shareholders' meetings	22 September 2009
9	Scheme meeting of Carbon Planet and announcement of results	21 October 2009
10	General meeting of m2m and announcement of results	22 October 2009
11	Court hearing for approval of the Scheme	29 October 2009
12	Lodgement of court order with ASIC and last day for trading in pre-reorganisation securities	2 November 2009
13	New shares commence trading	18 November 2009

### **About m2m Corporation Limited**

m2m Corporation Limited (ASX: MCL) is an ASX listed technology investment company. m2m has active investments in Telecommunications and Broadband Telephony and Digital Video.

Its investments in Telecommunications are through its subsidiaries “Sipme Group of companies” which has telecommunication infrastructure in the restrictive and high growth Asian region. The Sipme group also markets broadband telephony either wholly or through its joint venture partners that utilises its wholesale backbone to deliver quality and cost effective VoIP products and services to its customers in Australia and Asia.

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](http://www.m2mcorp.com.au) and [www.Bluefish444.com](http://www.Bluefish444.com)

### **About Carbon Planet Limited**

A global full-spectrum 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: utilising Carbon Planet’s proprietary software and business methodologies leading mid-tier accounting firms, deliver greenhouse gas emissions assessment, energy reduction and carbon management services.

Carbon Planet offers a full-service suite of carbon assessment and management services, helping businesses to understand the emerging legislative requirements, reduce their operating costs, identify carbon-based commercial opportunities, lower their carbon footprint, increase staff satisfaction and improve environmental credentials.

From audit and advisory, education and training, carbon trading, carbon offsets and origination, to the full breadth of planning, implementation and commercialisation, Carbon Planet has the credentials, experience and expertise necessary to help navigate the carbon economy.

A team of Experts

- PhD qualified and scientists
- World class carbon traders

Quality Assurance & Standards

- World Business Council for Sustainable Development's GHG Protocol Corporate Accounting and Reporting Standards
- ISO14064-1 Greenhouse Gases
- World Resources Institute Standards
- Australian Energy Audits Standard AS/NZ 3598:2000
- Services have been certified Greenhouse Friendly™

For more information, please visit [www.carbonplanet.com](http://www.carbonplanet.com)