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Company Announcements Office
Australian Securities Exchange
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20 Bond Street
SYDNEY NSW 2000

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Dear Sir,

ASX Announcement No 39

Carbon Conscious Agrees Commercial Terms with Top 50 ASX Company

Carbon Conscious Limited (CCF) is pleased to announce that it has reached agreement of non-binding commercial terms with an ASX top 50 company to plant Mallee Eucalypt trees in the wheatbelt areas of Australia for the production of Carbon Credits to be fungible under the Carbon Pollution Reduction Scheme (CPRS).

The parties will now negotiate formal documents on the basis of the agreed terms. The transaction is conditional on the execution of those formal documents.

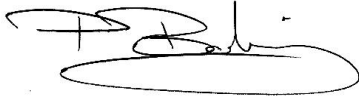
This agreement of commercial terms, once finalised, will represent a major deal for Carbon Conscious Limited involving the planting of many millions of Mallee Eucalypt trees in the wheatbelt of Australia.

The commercial terms involve a unique structure designed to identify and manage risk and reward between the two parties over the long term life of the arrangement. The formal documents will provide for contracted plantings in the 2009, 2010 and 2011 seasons and an option for the contracting party to plant in the 2012, 2013 and 2014 planting seasons.

Formal contract documentation and final due diligence is currently being undertaken and is expected to take between 4 to 6 weeks to finalise. The substantial commercial terms of the contract including the contracting parties will be released to the market upon finalisation of this contract.

CEO of Carbon Conscious Peter Balsarini said: *“Once finalised, the transaction will represent a significant commercial deal for Carbon Conscious and has been struck in a particularly difficult economic environment. The deal vindicates the business model adopted by the Company and provides flexibility for the contracting parties in terms of the proposed government CPRS legislation. We look forward to finalising the arrangement and announcing further details to the market.”*

Yours sincerely
Carbon Conscious Limited



Peter Balsarini
Chief Executive Officer

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Carbon Conscious (CCF) – More Information

Carbon Conscious creates large scale carbon estates to produce Greenhouse Friendly™ accredited carbon offsets. We do this by planting Mallee Eucalypt trees, a native species perfectly adapted to the growing conditions of the Australian wheatbelt

We are a progressive business born out of a company with a successful history in the agricultural sector. We have access to large areas of suitable land through our long standing strategic relationships with Australian farmers.

Visit our site for more information www.carbonconscious.com.au.