

14 April 2015

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

Announcement Number 277

Via: ASX Online

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Dear Sir

Non-Renounceable Pro-Rata Rights Issue

The Directors of Carbon Conscious Ltd (**Company**) have resolved to make a conditionally underwritten, non-renounceable pro-rata offer (**Entitlement Offer**) of ordinary fully paid Shares at an issue price of 2 cents each to Eligible Shareholders on the basis of one (1) new Share for every four (4) Shares held at 5:00pm (WST) on 20 April 2015 (**Record Date**).

The market price of Shares at the date of this Prospectus is such that it is unlikely that any of the existing Options will be exercised before the Record Date. On the basis that no Options are exercised prior to the Record Date, the Entitlement Offer is for a total of 26,207,997 New Shares to raise approximately \$524,160 before costs. The Company has at the date of the Prospectus 104,831,988 Shares and 11,250,000 unquoted Options on issue. All holders of ordinary shares in the Company at the Record Date are entitled to participate in the Offer.

The Company is pleased to announce the important dates for the Offer are as follows:

Lodgment of Prospectus	14 April 2015
"Ex" Date	16 April 2015
Record Date	20 April 2015
Acceptance closes at 5pm WST	4 May 2015

Applicants should consult their brokers or professional advisors in regards to the definition of "Ex" Date and Record Date to ensure that their entitlement to participate in the Offer is assured.

The Company has also lodged the Prospectus for the Entitlement Offer at the Australian Securities & Investment Commission on 13 April 2015. The Prospectus will be mailed to each shareholder registered in the share register on the Record Date. Each shareholder's entitlement under the Offer will be set out in the Entitlement and Acceptance Form.

A copy of the Non-renounceable Pro Rata Rights Issue Prospectus and accompanying Entitlement and Acceptance Form is appended to this announcement. The Company would like to take this opportunity to extend its appreciation to its shareholders for their ongoing support.

Yours faithfully



Andrew McBain
Executive Director

Contact: +61 417 456 895



CARBON CONSCIOUS LIMITED
ACN 129 035 221

PROSPECTUS

THIS PROSPECTUS IS BEING ISSUED FOR A NON-RENOUNCEABLE PRO-RATA OFFER TO ELIGIBLE SHAREHOLDERS ON THE BASIS OF ONE NEW SHARE FOR EVERY FOUR SHARES HELD ON THE RECORD DATE AT AN ISSUE PRICE OF 2 CENTS EACH.

THE OFFER IS CONDITIONALLY UNDERWRITTEN BY CPS CAPITAL GROUP PTY LTD.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

IMPORTANT INFORMATION

This Prospectus is dated 13 April 2015 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 1, 25 Walters Drive, Osborne Park, Western Australia, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.4).

The Securities offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Acceptances of Securities under the Entitlement Offer can only be submitted on an original Entitlement and Acceptance Form sent with a copy of this Prospectus by the Company. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Entitlement Offer. If acceptance is by BPAY there is no need to return the original Entitlement and Acceptance Form.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed. No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4. Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to WST unless otherwise indicated.

CORPORATE DIRECTORY

Directors

Mr Trevor Stoney Non-Executive Chairman
Mr Andrew McBain Executive Director
Mr Neil McBain Non-Executive Director

Company Secretary

Mr Anthony Fitzgerald

Registered Office

Suite 1
25 Walters Drive
Osborne Park WA 6017

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ASX Code: CCF

Website: www.carbonconscious.com.au

Share Registry

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

Lawyers

Bellanhuse Legal
Ground Floor, 11 Ventnor Avenue
West Perth WA 6005

Underwriter

CPS Capital Group Pty Ltd
ABN 73 088 055 636
Level 45, 108 St Georges Terrace
Perth, WA 6000

TIMETABLE FOR ENTITLEMENT OFFER

Lodgement of Appendix 3B and Prospectus with ASX	14 April 2015
Notice of Entitlement Offer sent to Optionholders	
Notice of Entitlement Offer sent to Shareholders	15 April 2015
Shares quoted on an "EX" basis	16 April 2015
Record Date for determining Entitlements	20 April 2015
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	23 April 2015
Last day to extend the offer closing date	29 April 2015
Closing Date of Entitlement Offer (5pm WST)*	4 May 2015
Shares quoted on a deferred settlement basis	5 May 2015
Notification of Shortfall	7 May 2015
Anticipated date for issue of the Securities. Deferred settlement trading ends	11 May 2015
Anticipated date for commencement of Shares trading on a normal settlement basis	12 May 2015

* The Directors may extend the Entitlement Offer Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Entitlement Offer Closing Date. As such the date the Securities issued under the Entitlement Offer are expected to commence trading on ASX may vary.

Dear Shareholders,

On behalf of the Company I am pleased to offer you the opportunity to participate in a non-renounceable entitlement offer to subscribe for ordinary fully paid shares at an issue price of \$0.02 per share. The offer is made on the basis of one new share for every four shares held at the record date ("**Entitlement Offer**").

The Company will issue up to 26,207,997 New Shares at an issue price of \$0.02 per share to raise up to \$524,160 before costs. The capital will be utilised for additional working capital purposes and debt reduction.

You will note that, while the Entitlement Offer is underwritten by CPS Capital Group Pty Ltd, the commitment of directors and management is such that they are sub-underwriting the capital raise to the order of \$300,000.

I wish to share with you my view that having managed our way through the third major change in the Australian regulatory environment for carbon pricing, the Company is well positioned for the future, continuing to satisfy obligations to clients (with whom we have contracts to 2027 in Australia and 2032 in New Zealand) as well as identifying and reviewing new opportunities as they present themselves.

Highlights of the recent past include:

- Successful issuance of Australian Carbon Credit Units from our two Carbon Farming Initiative (CFI) projects.
- Successful transition of existing CFI projects to participate in the Emission Reduction Fund.
- Re-organisation of New Zealand operations so that they now provide an operating surplus.
- Streamlining of Australian business operations resulting in significant cost reductions.
- Significant debt and liabilities reduction of approximately \$4.5M since July 2012.

With continuing judicious management of existing operations the Company is on trajectory to pay down all of its remaining debt well ahead of scheduled repayments, which will likely mean a return to surplus free cash flow. We are also well positioned to respond to any demand for reforestation based carbon offset projects in the eventuality that demand for those services returns.

With this solid platform in place, Carbon Conscious has engaged in seeking out new business venture opportunities with the objective of building a diversified project and revenue base.

Thank you for your continued support and I encourage you to contact the Company on 08 9204 8400 should you have any queries.

Yours sincerely



Trevor Stoney
Non-Executive Chairman

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1. Details of the Offer

1.1 Entitlement Offer

The Company is making a conditionally underwritten, non-renounceable pro-rata offer of ordinary fully paid Shares at an issue price of 2 cents each to Eligible Shareholders on the basis of one new Share for every four Shares held at 5:00pm (WST) on the Record Date (**Entitlement Offer**).

The Company has as at the date of this Prospectus 104,831,988 Shares and 11,250,000 unquoted Options on issue.

The market price of Shares at the date of this Prospectus is such that it is unlikely that any of the existing Options will be exercised before the Record Date. On the basis that no Options are exercised prior to the Record Date, the Entitlement Offer is for a total of 26,207,997 Shares.

Where the determination of the entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded down to the nearest whole Share.

Further details on the rights and liabilities attaching to the Shares under the Offer is contained in Section 5.1.

1.2 Purpose of the Offer

Completion of the Entitlement Offer will result in an increase in cash at hand of up to approximately \$524,160 (before payment of costs).

The funds raised pursuant to the Entitlement Offer will be used to reduce debt, explore new initiatives in sustainable agricultural projects (including dairy) and for working capital purposes.

1.3 Opening and Closing Dates

For the Entitlement Offer, the Company will accept Entitlement and Acceptance Forms from the Record Date for determining Eligible Shareholders' entitlements under the Entitlement Offer until 5:00pm WST on 4 May 2015 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Entitlement Offer Closing Date**).

1.4 Minimum subscription

There is no minimum subscription for the Entitlement Offer.

1.5 Underwriting

CPS Capital Group Pty Ltd has been appointed as the underwriter (**Underwriter**) to underwrite the entire Entitlement Offer (**Underwritten Securities**) in consideration of a 6% (plus GST) fee payable by the Company for any Underwritten Securities the Underwriter takes up. The Company will pay the Underwriter a marketing fee of 500,000 Shares.

A conditional formal underwriting agreement has been agreed between the Underwriter and the Company (**Underwriting Agreement**). A summary of the Underwriting Agreement is contained in Section 5.2.

Following close of the Entitlement Offer, the Underwritten Securities will be allocated to the Underwriter. Pursuant to the terms of a mandate letter between the Underwriter and the Company dated 7 April 2015, the senior management of the Company shall be entitled to (in priority to any other sub-writer) the following allocations:

- (a) Trevor Stoney is entitled to take up \$29,500 and intends to take up a total of \$75,000 (including underwriting);
- (b) Andrew McBain is entitled to take up \$19,500 and intends to take up a total of \$75,000 (including underwriting);
- (c) Neil McBain is entitled to take up \$10,500 and intends to take up a total of \$100,000 (including underwriting); and
- (d) Anthony Fitzgerald is entitled to take up \$4,750 and intends to take up a total of \$50,000 (including underwriting).

Pursuant to the terms of a sub-underwriting agreement to be entered into between the Underwriter and each sub-underwriter, CPS will be liable to pay the relevant sub-underwriter a 4% (plus GST) fee. Each of Trevor Stoney, Andrew McBain, Neil McBain and Anthony Fitzgerald has agreed to rebate the 4% fee they are entitled to receive back to the Company.

1.6 Shortfall Offer

In the event that the Underwriting Agreement is terminated for any reason, the Directors shall allocate any shortfall at their absolute discretion and subject to compliance with the Listing Rules and the Corporations Act.

1.7 No rights trading

The rights to Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your entitlement to any other party. If you do not take up your entitlement to Securities under the Entitlement Offer by the Entitlement Offer Closing Date, the Entitlement Offer to you will lapse.

Any entitlements not taken up by Eligible Shareholders by the Closing Date will be dealt with under the Underwriting Agreement.

1.8 Effect of the Entitlement Offer on control of the Company

The Company is of the view that the Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company.

No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer.

The Underwriting Agreement provides that the Underwriter must ensure that neither it nor any other person will acquire through participation in the underwriting (or sub-underwriting) of the Offer, a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue

on completion of the Offer. As such, the underwriting of the Offer will not increase the Underwriter's voting power in the Company from below 20% to above 20% and will therefore not impact on the control of the Company.

No other investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer.

1.9 Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Securities accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of Securities.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Form, is final.

The Company will send this Prospectus, together with an Entitlement and Acceptance Form, to all Eligible Shareholders.

1.10 Issue Date and dispatch

All Securities under the Entitlement Offer are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Securities under the Offer.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statements do so at their own risk.

1.11 Application Monies held on trust

All Application Monies received for the Securities under the Entitlement Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Securities are issued. All Application Monies will be returned (without interest) if the Securities are not issued.

1.12 ASX quotation

Application has been or will be made for the official quotation of the Shares offered by this Prospectus. If permission is not granted by ASX for the official quotation of the Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.13 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Securities, including a notice to exercise the Securities.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Advanced Share Registry Services and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.14 Residents outside Australia

This Prospectus, and any accompanying Entitlement and Acceptance Form, does not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities under the Offer. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shareholders with a registered address outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with their entitlement. The return of a completed Entitlement and Acceptance Form from a Shareholder with a registered address outside Australia will be taken by the Company to constitute a representation and warranty by that Shareholder that all relevant approvals have been obtained and that the Company may legally issue the Securities to that Shareholder.

1.15 New Zealand offer restrictions

The Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

1.16 Risk factors

An investment in Securities of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

1.17 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

1.18 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 September 2014 can be found in the Company's Annual Financial Report lodged with ASX on 18 December 2014.

The Company has made continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Financial Report on 18 December 2014.

Copies of the Annual Financial Report are available free of charge from the Company.

The Directors strongly recommend that Applicants review this and all other announcements prior to deciding whether or not to participate in the Offer.

1.19 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's Security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Acceptance or Application (as applicable).

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.20 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 (8) 9204 8400.

2. Action required by Shareholders

2.1 Action in relation to the Entitlement Offer

(a) Acceptance of Securities under the Entitlement Offer

Should you wish to accept all of your entitlement to Securities under the Entitlement Offer and you are not paying by BPAY, then applications for Securities under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the amount indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Carbon Conscious Limited" and lodged at any time after the issue of this Prospectus and on or before the Entitlement Offer Closing Date at the Company's share registry (by delivery or by post) at:

Advanced Share Registry Services

PO Box 1156

Nedlands WA 6909

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Entitlement Offer Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

(b) If you wish to take up only part of your entitlement under the Entitlement Offer

Should you wish to only take up part of your entitlement under the Entitlement Offer and you are not paying by BPAY, then applications for Securities under the Entitlement Offer must be made on the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Securities you wish to accept and the amount payable (calculated at 2 cents per Share accepted), and attach a cheque for the appropriate Application Monies.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Carbon Conscious Limited" and lodged at any time after the issue of this Prospectus and on or before the Entitlement Offer Closing Date at the Company's share registry (by delivery or by post) at:

Advanced Share Registry Services

PO Box 1156

Nedlands WA 6909

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Entitlement Offer Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

(c) Entitlements not taken up

If you do not wish to accept any of your entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your entitlement.

(d) Enquiries concerning your entitlement

If you have any queries concerning your entitlement please contact Advanced Share Registry Services by telephone on +618 9389 8033.

3. Effect of the Offer

3.1 Capital structure on completion of the Offer

	No. of Shares	No. of unquoted Options
Balance at the date of this Prospectus	104,831,988	11,250,000
Maximum number of Securities to be issued under the Entitlement Offer	26,207,997	Nil
TOTAL	131,039,985	11,250,000

3.2 Pro forma consolidated statement of financial position

	Balance Sheet As of 30 September 2014	Significant changes since 30 September 2014	Rights Issue Transaction	Pro-forma Balance Sheet – Post Raising
Current Assets				
Cash and cash equivalents	313,055		524,160	837,215
Trade and other receivables	577,592			577,592
Income tax refundable	281,055			281,055
Investments	13,824			13,824
Other assets	414,354	(200,000)		214,354
Total Current Assets	1,599,880		524,160	1,924,040
Non-Current Assets				
Intangible assets	3,688,318	(150,000)		3,538,318
Property, plant and equipment	9,872,697			9,872,697
Inventories	378,671			378,671
Deferred tax asset	1,230,676			1,230,676
Total non-current assets	15,170,362			15,020,362
Total assets	16,770,242		524,160	16,944,402
Current Liabilities				
Trade and other payables	495,201			495,201
Interest-bearing liabilities	1,891,456	(475,000)		1,416,456
Total current liabilities	2,386,657			1,911,657
Non-Current Liabilities				
Interest-bearing liabilities	1,943,500	(560,000)		1,383,500
Total Non-Current Liabilities	1,943,500			1,383,500
Total Liabilities	4,330,157			3,295,157
Net Assets	12,440,085		524,160	13,649,245
Equity				
Issued Capital	13,392,896		524,160	13,917,056
Reserves	1,189,182			1,189,182
Accumulated Losses	(2,141,993)	685,000		(1,456,993)
Total Equity	12,440,085		524,160	13,649,245

Since the last audited accounts in September 2014, the following significant changes (as set out in column 2 above) have been made:

1. Other assets have been reduced by \$200,000 due to funds being received relating to land sales unconditional.
2. Intangible assets have been reduced by \$150,000 due to the amortisation charge.
3. \$475,000 has been repaid to Aroona Management reducing the current interest-bearing liabilities.
4. \$560,000 of the bank bills has been repaid reducing the long term interest-bearing liabilities.
5. Accumulated losses - Have been reduced by \$685,000 to reflect profit for the period.

Basis of Preparation

The above pro forma statement of financial position has been prepared in accordance with the draft ASIC Guide to Disclosing Pro Forma Financial Information (issued July 2005).

The pro forma balance sheets have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The pro forma statement of financial position is based on the reviewed financial position as at 30 September 2014 that has then been adjusted to reflect the material transactions as per the notes to the pro forma above.

3.3 Market price of Shares

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Lowest: 1.8 cents per Share on 3 April 2015

Highest: 2.2 cents per Share on 1 February 2015

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was 1.9 cents per Share on 10 April 2015.

3.4 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Risk factors

An investment in Securities offered by this Prospectus should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Prospective investors should carefully consider the following factors in addition to the other information presented in the Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Specific Risks associated with the Company

(a) Legislation

Although the passing of the *Clean Energy Act 2011* (Cth) and *Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth) create the demand and supply of credits respectively, there is some level of uncertainty about the implications of a change of Government or changes to Government policy. It is possible that future changes of legislation could have a negative impact on the Company.

(b) Carbon market development

The market for carbon credits in Australia is an emerging market and as such may display volatile pricing and variable demand. This may adversely affect the profitability of the Company into the future.

(c) Scientific and technological breakthroughs

The market for carbon credits may be affected by major scientific or technological breakthroughs in the future that may provide:

- (i) An alternative and widely agreed explanation for the phenomenon of global warming that debunks the notion that carbon dioxide emissions are the significant cause of global warming.
- (ii) An alternative method(s) for the mass production of economic output that does not involve carbon dioxide emission and therefore renders the need for the carbon offsets production as obsolete. Examples could include such things as clean coal technologies and alternative natural energy sources.
- (iii) An alternative method of carbon abatement that is significantly less costly and widely adopted. Examples could include major developments in carbon capture via Bio Sequestration.

(d) Key customer default or insolvency

All else remaining equal the majority of company revenue through to 2027 is tied to contracts with 2 major clients. If one or both clients defaulted on existing contracts or they became insolvent it is possible that the impact on revenue may be significant.

(e) Rate and amount of carbon sequestered

Although significant scientific resources and knowledge are utilised to forecast both rates and the total amount of carbon sequestered from Mallee trees over a given period of time, these forecasts are reliant upon a number of underlying assumptions that may or may not occur. The total amount of carbon sequestered and the rate at which this carbon is sequestered may vary which in turn may affect the Company's performance into the future. It should be noted that under the majority of the contracts currently in place, the client takes growth and delivery risk.

(f) Future capital needs

Further funding may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently its performance. Any additional equity financing will dilute Shareholders and debt financing, if available, may restrict the Company's financing and operating activities.

(g) Fraud or criminal behaviour

To participate in carbon markets under current Federal Government legislation the company must maintain 'fit and proper person status' with the Clean Energy Regulator.

The company is counterparty to several client contracts that require management over 10-40 year windows.

Fraud or criminal behaviour by company employees or contractors may result in loss of 'fit and proper person status' and or result in a breach of long term contracts.

(h) Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

4.2 General Risks

(a) Economic factors

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's future

possible revenues and Share price can be affected by these factors, which are beyond the control of the Company and its Directors.

(b) Share market

Share market conditions may affect the price at which the Company's Shares trade regardless of operating performance. Share market conditions are affected by many factors, such as:

- (i) general economic outlook;
- (ii) movements in, or outlook in, interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity prices;
- (v) changes in investor sentiment towards particular market sectors; and
- (vi) the demand for, and supply of, capital.

Investors should recognise that the price of the Shares may fall as well as rise. Many factors will affect the price of the Shares including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally. In addition, the commencement of, or escalation in, any war, armed conflict, hostilities between nations, civil unrest or terrorist activities may affect the price of the Company's Shares.

4.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. The Applicants should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

5. Additional information

5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of the Company every holder of fully paid Shares present in person or by an attorney, representative or proxy has one vote on a show of hands and one vote per Share on a poll.

A person who holds a Share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share.

(c) Issues of further Shares

The Directors may, on behalf of the Company, issue, grant Options over or otherwise dispose of unissued Shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the Shares in any special class of those Shares.

(d) Variation of rights

At present, the Company has on issue one class of Shares only, namely ordinary Shares. Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the Shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued Shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued Shares of the affected class.

(e) Transfer of Shares

Subject to the Constitution, the Corporations Act and the Listing Rules, ordinary Shares are freely transferable.

(f) Dividends

Subject to the Constitution, the Corporations Act, the Listing Rules and to the rights attaching to Shares issued on special conditions (at present there are none), the Directors may from time to time decide to pay a dividend to Shareholders, payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

(g) Winding up

Subject to the Constitution, the Corporations Act and the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set the value the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between Shareholders or different classes of Shareholders.

(h) Dividend reinvestment and bonus share plans

The Company may, by resolution of the Directors, implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid Shares in the Company). The Company may, by ordinary resolution in general meeting, authorise the Directors to implement bonus share plans in accordance with the provisions of the Constitution and subject to the Listing Rules and the Corporations Act.

(i) Directors

The Constitution states that the minimum number of Directors is three and the number of Directors shall not exceed nine.

(j) Powers of the Board

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have power to manage the business of the Company and may exercise all powers of the Company as are not required by the Corporations Act, Listing Rules or Constitution to be exercised by the Company at general meeting.

(k) Unmarketable parcels

The Constitution permits the Company to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the Listing Rules.

(l) Capitalisation of profits

The Directors may resolve to capitalise profits, reserves or other amounts available for distribution to Shareholders. Subject to the Constitution and the terms of issue of Shares, Shareholders are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(m) Capital reduction

Subject to the Corporations Act and the Listing Rules, the Company may reduce its share capital.

(n) Preference Shares

The Company may issue preference Shares including preference Shares that are liable to be redeemed. The rights attaching to preference Shares include, without limitation, those in the Constitution.

5.2 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**) dated 9 April 2015, the Underwriter agreed to conditionally underwrite the entire Entitlement Offer to the value of \$524,160 (**Underwritten Amount**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee of 6% of the total Underwritten Amount. The Company will pay the Underwriter a marketing fee of 500,000 Shares.

The obligation of the Underwriter to underwrite the Entitlement Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement in the event of any of the termination events set out below:

- (i) (**Indices fall**): the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 15% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement;
- (ii) (**Prospectus**): the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company;
- (iii) (**No Listing Approval**): the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (iv) (**No Official Quotation**): ASX has advised the Company that it will or may not grant official quotation to the Underwritten Securities on or prior to the shortfall notice deadline date;
- (v) (**Supplementary prospectus**):
 - (A) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement,

forms the view on reasonable grounds that a supplementary prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a supplementary prospectus in such form and content and within such time as the Underwriter may reasonably require; or

- (B) the Company lodges a supplementary prospectus without the prior written agreement of the Underwriter;
- (vi) **(Non-compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (B) the rights and liabilities attaching to the Underwritten Securities;
- (vii) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (viii) **(Restriction on issue):** the Company is prevented from issuing the Underwritten Securities within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (ix) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (x) **(ASIC application):** an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
- (xi) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under Section 739 of the Corporations Act;
- (xii) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a material adverse effect;

- (xiii) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (xiv) **(Event of Insolvency)**: an event of insolvency occurs in respect of a Relevant Company;
- (xv) **(Indictable offence)**: a director or senior manager of a relevant company is charged with an indictable offence; or
- (xvi) **(Termination Events)**: upon the occurrence of any of the following events:
 - (A) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, or Israel other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world and the Underwriter believes (on reasonable grounds) that the outbreak or escalation or terrorist act is likely to result in the S&P ASX 200 Index falling by the percentage contemplated above;
 - (B) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (C) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
 - (D) **(Contravention of constitution or Act)**: a material contravention by a relevant company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (E) **(Adverse change)**: an event occurs which gives rise to a material adverse effect after the date of the Underwriting Agreement;
 - (F) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results or any part of the verification material was materially false, misleading or deceptive or that there was a material omission from them;
 - (G) **(Significant change)**: a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;

- (H) **(Public statements):** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (I) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (J) **(Change in Act or policy):** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of this Agreement which has, or is likely to, cause a material adverse effect;
- (K) **(Prescribed Occurrence):** a prescribed occurrence as set out in the Underwriting Agreement occurs, other than as disclosed in the Prospectus;
- (L) **(Suspension of debt payments):** the Company suspends payment of its debts generally;
- (M) **(Judgment against a Relevant Company):** a judgment in an amount exceeding \$100,000.00 is obtained against a relevant company and is not set aside or satisfied within 7 days;
- (N) **(Litigation):** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any relevant company, other than any claims foreshadowed in the Prospectus;
- (O) **(Board and senior management composition):** there is a change in the composition of the board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter, such consent not to be unreasonably withheld;
- (P) **(Change in shareholdings):** there is a material change in the major or controlling shareholdings of a relevant company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (Q) **(Timetable):** there is a delay in any specified date in the timetable which is greater than 10 business days without the consent of the Underwriter;

- (R) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 14 days occurs;
- (S) **(Certain resolutions passed)**: a relevant company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (T) **(Capital Structure)**: any relevant company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon the exercise of options issued in the Company, such options having been disclosed to the ASX as at the date of the Underwriting Agreement;
- (U) **(Breach of Material Contracts)**: any of the contracts as described in the Underwriting Agreement is terminated or substantially modified;
- (V) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a related company; or
- (W) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets in each case the effect of which is that, in the reasonable opinion of the Underwriter, reached in good faith, it is impracticable to market the Offer or to enforce contracts to issue and allot or sub-underwrite the securities pursuant to the Prospectus or that the success of the Offer is likely to be adversely affected.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

Pursuant to the terms of a sub-underwriting agreement to be entered into between the Underwriter and each sub-underwriter, CPS will be liable to pay the relevant sub-underwriter a 4% (plus GST) fee. Each of Trevor Stoney, Andrew McBain, Neil McBain and Anthony Fitzgerald has agreed to rebate the 4% fee they are entitled to receive back to the Company.

5.3 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of

information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with the ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.4 below). Copies of documents announced to the ASX can be found at www.carbonconscious.com.au.

5.4 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Entitlement Offer a copy of:

- (a) the Annual Report, being the last financial year for which an annual financial report was lodged with ASIC in relation to the Company before the issue of the Prospectus; and
- (b) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement
01/04/2015	Expiry of Listed Options
30/03/2014	Company Secretary Appointment/Resignation
05/03/2015	Letter to Option Holders
04/03/2015	Appendix 3B
09/02/2015	Constitution
27/01/2015	Results of Meeting
05/01/2015	Amended AGM Proxy Form

The following documents are available for inspection throughout the period of the Entitlement Offer during normal business hours at the registered office of the Company:

- (c) this Prospectus;
- (d) the Constitution; and
- (e) the consents referred to in Section 5.133 and the consents provided by the Directors to the issue of this Prospectus.

5.5 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

5.6 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

5.7 Directors' interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) *has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.*

5.8 Directors' interests in Company Shares

Set out in the table are details of the Directors' relevant interests in Securities at the date of this Prospectus:

Director	No. of Shares	No. of Existing Options
Mr Trevor Stoney	5,904,553	1,500,000
Mr Andrew McBain	3,910,306	3,000,000
Mr Neil McBain	2,100,000	1,500,000

5.9 Directors remuneration

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal Shares.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Directors received the following remuneration for the preceding two financial years:

Director		Directors Fees, Salary, Bonus and Other Cash	Non-Monetary Benefits	Superannuation	Options and Other	Total
Mr Trevor Stoney ⁽¹⁾	2014	50,000	Nil	4,656	Nil	54,656
	2013*	12,500	Nil	1,156	Nil	13,656
Mr Andrew McBain ⁽²⁾	2014	156,250	Nil	14,556	Nil	170,806
	2013*	32,500	Nil	3,006	Nil	35,506
Mr Kent Hunter ⁽³⁾	2014	111,826	Nil	617	Nil	112,443
	2013*	12,500	Nil	1,156	Nil	13,656
Mr Neil McBain ⁽⁴⁾	2014	21,875	Nil	2,055	Nil	23,930
	2013*	Nil	Nil	Nil	Nil	Nil

*2013 was a 3 month period only from 1 July 2013 to 30 September 2013

- (1) Mr Trevor Stoney was appointed on 21 July 2010
(2) Mr Andrew McBain resigned on 21 July 2010 and was re-appointed on 16 February 2011
(3) Mr Kent Hunter was appointed on 29 November 2010 and resigned on 27 August 2014
(4) Mr Neil McBain was appointed on 23 April 2014

5.10 Related party transactions

There are no related party transactions involved in the Offer.

5.11 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

5.12 Expenses of Offer

The estimated expenses of the Offer are as follows:

	\$
ASIC Lodgment fee	2,290
ASX quotation fee	3,860
Legal and preparation expenses	10,000
Printing, mailing & registry expenses	5,000
Underwriting Fee	31,450
Total	52,600

5.13 Consents

In accordance with the Corporations Act, Bellanhouse Legal has given, and as at the date of lodgement of this Prospectus with the ASIC has not withdrawn, their written consent to being named in this Prospectus as solicitors to the Company. Bellanhouse Legal has not authorised or caused the issue of this Prospectus or the making of the Offer. Bellanhouse Legal make no representation regarding, and to the extent permitted by law exclude any responsibility for, any statements in or omissions from any part of this Prospectus.


Advanced Share Registry Services has given, and as at the date of lodgement of this Prospectus with the ASIC has not withdrawn, its written consent to being named in this Prospectus as the Company's share registry. Advanced Share Registry Services has had no involvement in the preparation of any part of this Prospectus other than being named as share registrar of the Company. Advanced Share Registry Services has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

CPS Capital Group Pty Ltd has given, and as at the date of lodgement of this Prospectus with the ASIC has not withdrawn, its written consent to being named in this Prospectus as the Company's Underwriter. CPS Capital Group Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as underwriter of the Issue. CPS Capital Group Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

6. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Andrew Lawson McBain

Dated: 13 April 2015

7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Acceptance means a valid acceptance of Shares made pursuant to this Prospectus on a Form.

Applicant means a person who submits an Entitlement and Acceptance Form.

Application means a valid application for Securities made on an Entitlement and Acceptance Form.

Application Monies means application monies for Shares received by the Company.

ASIC means Australian Shares and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregistry System.

Company means Carbon Conscious Limited ACN 129 035 221.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means *Corporations Act 2001* (Cth).

Directors mean the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement and Acceptance Form means the entitlement and acceptance form provided by the Company with a copy of this Prospectus that describes the entitlement of Shareholders to subscribe for Shares pursuant to the Entitlement Offer.

Entitlement Offer has the meaning given to it in Section 1.1.

Entitlement Offer Closing Date has the meaning given to it in Section 1.3.

Issuer Sponsored means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

Offer means the Entitlement Offer and the Underwriter's offer pursuant to the Underwriting Agreement.

Prospectus means this prospectus dated 13 April 2015.

Record Date means 5:00pm (WST) on the date identified in the proposed timetable.

Section means a section of this Prospectus.

Securities mean any securities including Shares or Options issued or granted by the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Subsidiary means each company which is a subsidiary of the Company within the meaning of the Corporations Act.

Underwriter means CPS Capital Group Pty Ltd (ABN 73 088 055 636).

Underwriting Agreement means the conditional underwriting agreement between the Company and the Underwriter.

Underwritten Amount has the meaning given in Section 5.22

Underwritten Securities has the meaning give in Section 1.5.

WST means Western Standard Time.

CARBON CONSCIOUS LIMITED
ACN 129 035 221

ENTITLEMENT AND ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT,
PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISOR.

SHARE REGISTRY: Advanced Share Registry Services Ltd, 110 Stirling Highway, NEDLANDS, Western Australia 6009.

A non-renounceable pro-rata rights issue of up to 26,207,997 New Shares (assuming no existing options are exercised before the Record Date) at an issue price of \$0.02 per New Share on the basis of one (1) New Share for every four (4) Shares held at the Record Date, to raise up to approximately \$524,160 (**Rights Issue**) before expenses.

NON-RENOUCEABLE RIGHTS ISSUE, CLOSING 5.00PM WESTERN STANDARD TIME ON MONDAY, 4 MAY 2015

To the Directors
CARBON CONSCIOUS LIMITED

1. I/We the above mentioned, being registered on 20 April 2015 as the holder(s) of ordinary shares in your Company hereby accept the below mentioned securities in accordance with the terms of the Prospectus accompanying this form;
2. I/We hereby authorise you to place my/our name(s) on the register of shareholders in respect of the number of New Shares and allotted to me/us and;
3. I/We agree to be bound by the Constitution of the Company.

RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE SHARES

(A) NUMBER OF NEW SHARES ACCEPTED (BEING NOT MORE THAN THE ENTITLEMENT SHOWN ABOVE)	(B) NUMBER OF ADDITIONAL NEW SHARES* APPLIED FOR (IN EXCESS OF THE ENTITLEMENT SHOWN ABOVE)	(C) = (A) + (B) AMOUNT ENCLOSED @ \$0.xx PER SHARE
		AUD\$

METHOD OF ACCEPTANCE

You can apply for New Shares and make your payment utilising one of the payment options detailed overleaf, however please indicate which payment option you have chosen by marking the relevant box below.


☐

Cheque/bank draft/money order

☐

BPAY

PLEASE ENTER CHEQUE DETAILS	Drawer	Bank	Branch	Amount

	You can pay by BPAY. If you choose to pay by BPAY, you do not need to return this Form. Please refer overleaf for details
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My/Our contact numbers in the case of enquiry are:

Telephone: (.....).....

Email:

NOTE: Cheques should be made payable to **CARBON CONSCIOUS LIMITED**, crossed NOT NEGOTIABLE and forwarded to Advanced Share Registry Services Ltd PO Box1156, Nedlands WA 6909 to arrive no later than 5.00pm (WST) on Monday 4 May 2015.

<i>Complete this panel and sign below only if a change of address is to be registered with the Company</i>	
New Address:	
Signature(s):	Date:
Please indicate correct title: Director / Secretary /	

CHESS HOLDERS CAN ONLY AMEND THEIR ADDRESS BY ADVISING THEIR SPONSORING BROKER

THE DIRECTORS RESERVE THE RIGHT TO MAKE AMENDMENTS TO THIS FORM WHERE APPROPRIATE

LODGEMENT INSTRUCTIONS

Acceptance of your Entitlement in Full and applying for Additional Securities

If you are accepting your entitlement in full or in part or applying for Additional Securities (in accordance with section 1.3 of the Prospectus), please:

- ✓ complete the reverse side of this Entitlement and Acceptance Form; and
- ✓ forward it, together with your payment (cheque for the amount in (C) above), so that it reaches Carbon Conscious Limited's share registry, Advanced Share Registry Services no later than 5.00pm WST on Monday, 4 of May 2015 or
- ✓ apply for New Shares by utilising the payment options detailed below. There is no requirement to return this Form if you are paying by electronic means (BPAY).

Payment Details

You can apply for New Shares by utilising the payment options detailed below. There is no requirement to return this Form if you are paying by electronic means. By making your payment using either BPAY or by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions of the Carbon Conscious Limited Prospectus as enclosed with this form. Your cheque, bank draft or money order should be made payable to **CARBON CONSCIOUS LIMITED** in Australian currency and crossed "Not Negotiable". Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your Application being rejected. Complete cheque details in the boxes provided.

If the payment you submit is insufficient to pay for the number of Shares you apply for, you will be taken to have applied for such lower number of New Shares as that amount will pay for, or your Application will be rejected. If the amount you pay is more than the amount payable for your full entitlement, you will be taken to have applied for the maximum number of Shares you are entitled to apply on this Form. Any excess money will be considered as a payment for Additional New Shares in such number as the amount will pay for.

Lodgement of Application

If you are applying for New Shares and **your payment is being made by BPAY, you do not need to return this Form** however you are encouraged to return the Form to the share registry for reconciliation purposes – in that case you can post the Form to the share registry or send it by facsimile to +61 8 9389 7871. Your payment must be received by no later than 5.00pm WST on Monday 4 May 2015. Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, your Application must be received by the share registry by no later than 5.00pm WST on Monday, 4 May 2015. You should allow sufficient time for this to occur. Return your Application with cheque, bank draft or money order attached.

If you have any enquiries concerning this Form or your entitlement, please contact Advanced Share Registry on phone +61 8 9389 8033 or fax +61 8 9262 3723. CHESS holders must contact their Controlling Participant to notify a change of address.



Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or saving account. More info: www.bpay.com.au

By Mail

Carbon Conscious Limited– Entitlement Issue
c/- Advanced Share Registry Services Ltd, PO Box 1156
NEDLANDS WA 6909