

25 November 2015

Company Announcements Office  
Australian Securities Exchange  
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Dear Sir or Madam

## **Corporate Update**

Carbon Conscious Ltd ("Company") is pleased to provide the following update on activities.

### **Highlights**

- Expected \$1 Million EBITDA for Year End September 2015
- \$2 Million debt reduction over last 12 months
- New Zealand asset review completed – sale of assets under consideration
- New business opportunities in WA dairy

### **Year End September 2015**

The Company has established contracts that provide circa \$2.7 million per annum of contracted cash-flow from agri-forestry projects through to the end of 2027 in Australia. It is expected that on completion of audit of the September 2015 financial accounts, the EBITDA will be approximately \$1 million up from \$539,000 in 2014.

### **Debt Reduction**

Approximately \$2 million of debt has been repaid over the past 12 months, including the balance of convertible notes issued in 2012, which were fully paid out in September.

The Company's debt position with CBA remains at circa \$1.5 million and we expect to pay out the balance of the CBA facility via existing cash-flow by November 2016 – two and a half years ahead of the repayment schedule. Subject to the outcome of the NZ Project Assets (see below), the Company could be in a position to repay the CBA facility sooner.

### **Review of NZ Project Assets**

On 9 November 2015, the Company announced that a long term off-take agreement for the majority of the New Zealand carbon units ("NZUs") had by mutual agreement been terminated.

The outcome for the Company is that it has retained ownership of the freehold land and forestry assets and is now in a position to either hold and manage the assets and continue to sell NZU's into the market, or sell the assets and repatriate the funds back to Australia.

The Company proposes to test the market in New Zealand for sale of the assets and believes that a value somewhere between NZ \$3 million - \$4 million is likely achievable. Should a sale of the assets occur, then the Board's current intention is that the funds would be applied to the CBA facility and the balance placed on deposit.

#### **New Business Opportunities–WA Dairy**

The Company has previously announced that it has been actively investigating new business opportunities in sustainable agriculture in Australia. A number of potential projects have been reviewed and we believe the stand out opportunity for our Company is in the dairy industry in Western Australia. The Board considers that the opportunities currently being considered are consistent with the nature of the Company's existing activities in agricultural project development, management and service provision.

Whilst no decision has been made, the Company continues to actively review opportunities in dairy in WA. These opportunities remain subject to due diligence and Board approval. The Company cautions investors that there is no certainty that an agreement will be reached in relation to such an opportunity, and that any such agreement would be subject to conditions precedent. The Company will continue to provide updates to the market in accordance with its continuous disclosure obligations.

**Yours faithfully**



**Andrew McBain  
Executive Director**

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