Carbon Conscious Limited

ACN 129 035 221

Prospectus

For the offer of a renounceable pro rata rights issue of approximately 7,425,610 New Shares on the basis of 1 New Share for every 10 Shares held on the Record Date at an issue price of $0.28 per New Share to raise approximately $2,079,170 ("**Rights Issue Offer**").

The Rights Issue Offer is not underwritten

Important Notice

This is an important document and should be read in its entirety.
This Prospectus is a transaction-specific prospectus issued in accordance with Section 713 of the Corporations Act 2001. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay.

The Securities offered by this Prospectus should be considered speculative.

TABLE OF CONTENTS

IMPORTANT INFORMATION

This Prospectus is dated 23 November 2011 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

No Securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. An application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the Securities the subject of this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe the requirements of these laws. Non-observance by such persons may violate securities laws. Any recipient of this Prospectus residing outside Australia or New Zealand should consult their professional advisers on requisite formalities.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to Section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

This document is important and it should be read in its entirety. The Securities to be issued pursuant to this Prospectus should be viewed as a speculative investment and Shareholders should refer to the Risk Factors affecting the Company set out in Section 2. Shareholders should consult their stockbroker, solicitor, accountant or other professional adviser if necessary.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

A copy of this Prospectus can be downloaded from the Company's website at www.carbonconscious.com.au. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. Any Shareholder may obtain a hard copy of this Prospectus by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings set out in Section 8.

CORPORATE DIRECTORY

Directors

Stephen Lowe, Executive Chairman
Peter Balsarini, CEO and Executive Director
Trevor Stoney, Non-Executive Director
Kent Hunter, Non-Executive Director
Robert Payne, Non-Executive Director
Andrew McBain, Non-Executive Director

Company Secretary

Amy Musgrave

Registered and Principal Office

9A Agnew Way
SUBIACO WA 6008

Investor enquiries:

Tel: 08 9287 5600
Fax: 08 9287 5699
Web: www.carbonconscious.com.au

Securities Exchange Listing

ASX Limited
(Home Branch – Perth)
ASX Code: CCF

* These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Share Registry*

Advanced Share Registry Services
150 Stirling Highway
NEDLANDS WA 6009

Solicitors

Price Sierakowski Corporate
Level 24, St Martin's Tower
44 St Georges Terrace
PERTH WA 6000

Auditors*

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

TIMETABLE AND IMPORTANT DATES

EVENT	DATE
Announcement of Rights Issue	21 November 2011
Prospectus lodged with ASIC and ASX	23 November 2011
Notice of Rights Issue sent to Shareholders	25 November 2011
"Ex" Date (date from which Shares commence trading without the entitlement to participate in the Rights Issue)	28 November 2011
Rights trading commences on ASX	28 November 2011
Record Date (date for determining Shareholder entitlements to participate in the Rights Issue)	2 December 2011
Prospectus sent to Shareholders and Opening Date of Offer	5 December 2011
Rights trading on ASX ends	14 December 2011
Deferred settlement trading commences	15 December 2011
Closing Date of Offer	21 December 2011
Notification of under-subscriptions to ASX	28 December 2011
Despatch date/Shares entered into Shareholders' security holdings	3 January 2012
Deferred settlement trading ends	3 January 2012

Dates are indicative only. Subject to the Listing Rules, the Directors may vary the dates without prior notice.

SECTION 1 DETAILS OF THE OFFER

1.1 Details of the Rights Issue Offer

The Company is making a pro rata renounceable offer to issue approximately 7,425,610 New Shares under this Prospectus at an issue price of $0.28 per New Share to raise approximately $2,079,170.

The New Shares are being offered on the basis of 1 New Share for every 10 Shares held on the Record Date of 2 December 2011. In the calculation of any Entitlement, fractions will be rounded down to the nearest whole number.

The New Shares offered pursuant to this Prospectus will rank equally with existing Shares on issue. The full terms and conditions of the New Shares are set out in Section 4.1.

At the date of this Prospectus, the Company has on issue 70,684,672 Shares.

As announced on 21 November 2011, the Company has recently completed a $1,000,000 placement to sophisticated and institutional investors. The corresponding Shares have not been issued to these sophisticated and institutional investors as at the date of this Prospectus. The total number of corresponding Shares expected to be issued to the sophisticated and institutional investors on or about 24 November 2011 will be 3,571,429.

As the 3,571,429 Shares will be issued prior to Record Date, at Record Date the Company will have approximately 74,256,101 Shares on issue entitled to participate in this Renounceable Rights Issue.

At the date of this Prospectus, the Company has on issue 5 unlisted Convertible Notes with a face value of $100,000 each. These Convertible Notes are expected to be converted into Shares between 30 November 2011 and 31 December 2011, subject to receiving Shareholder approval at the Company's Annual General Meeting.

The Company also has on issue 9,575,000 Unlisted Options.

All holders of Shares in the Company on the Record Date are entitled to participate in the Rights Issue Offer. Optionholders who exercise their Options after the date of this Prospectus but prior to the Record Date are entitled to participate in the Rights Issue Offer. The Note Holder will not be able to participate in the Rights Issue Offer as the Convertible Notes are unable to be converted to Shares between the date of this Prospectus and Record Date.

The number of New Shares to which you are entitled as an Eligible Shareholder is shown on the accompanying personalised Rights Issue Offer Entitlement and Acceptance Form.

The Rights Issue Offer is not underwritten. The Rights Issue Offer is not conditional.

1.2 Rights Trading

Entitlements to Securities pursuant to the Rights Issue Offer are renounceable and accordingly, Rights will be traded on ASX. Details on how to sell your Rights are set out in Section 1.3.2 and 1.3.3 below.

1.3 How to Accept the Rights Issue Offer

1.3.1 If you wish to take up your Rights

If you are an Eligible Shareholder and you wish to take up all or part of your Rights, you must accept the Rights Issue Offer by completing the personalised Entitlement and Acceptance Form mailed to you with this Prospectus. Your personalised Entitlement and Acceptance Form will detail your entitlement to

New Shares under the Rights Issue Offer. You should complete the form in accordance with the instructions set out on the reverse side of the form.

Your completed Entitlement and Acceptance Form must be accompanied by the requisite Application Monies calculated at $0.28 in aggregate for each New Share and payment must be made via BPAY® or cheque following the instructions on your personalised Entitlement and Acceptance Form.

Make cheques payable to Carbon Conscious Ltd and crossed "Not Negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.

Please ensure that the completed Entitlement and Acceptance Form, together with your Application Monies is received by the Share Registry by not later than 5.00pm WST on 21 December 2011 or such later date as the Directors advise.

1.3.2 If you wish to sell your Rights in full on ASX

If you wish to sell all of your Rights on ASX, follow the instructions on the back of the accompanying Entitlement and Acceptance Form headed "***Sale of your Entitlement in full by your Stockbroker/Agent***".

You can sell your Rights on ASX from 28 November 2011. All sales on ASX must be effected by close of trading on 14 December 2011, when Rights trading ends on the ASX.

The Company does not accept any responsibility for any failure by your stockbroker to carry out your instructions.

1.3.3 If you wish to sell part of your Rights on ASX and take up the balance

If you wish to sell part of your Rights on ASX and take up the balance, follow the instructions on the accompanying Entitlement and Acceptance Form.

You can sell your Rights on ASX from 28 November 2011. Any sale of part of your Rights on ASX must be effected by the close of trading on 14 December 2011, when Rights trading ends on ASX.

To take up the remaining part of your Rights, your stockbroker will need to ensure that the completed Entitlement and Acceptance Form together with the requisite Application Monies reaches the Share Registry by not later than 5.00pm WST on 21 December 2011 or such later date as the Directors advise.

The Company does not accept any responsibility for any failure by your stockbroker to carry out your instructions.

1.3.4 If you wish to transfer all or part of your Rights to another person other than on ASX

If you hold Shares on the issuer-sponsored register and you wish to transfer all or part of your Rights to another person other than on ASX, forward a completed standard renunciation form (which can be obtained from your stockbroker or the Share Registry) signed by you (as the seller) and the buyer by not later than 5.00pm WST on 21 December 2011, together with your Entitlement and Acceptance Form completed by the buyer and the buyer's cheque or bank draft for the appropriate Application Monies to reach the Share Registry by not later than 5.00pm WST on 21 December 2011 or such later date as the Directors advise.

If you are an Eligible Shareholder holding Shares on CHESS and you wish to transfer all or part of your Rights to another person other than on ASX, you should contact your sponsoring participant.

If the Share Registry receives both a completed renunciation form and a completed Entitlement and Acceptance Form in favour of the same Shareholder in respect of the same Rights, the renunciation will be given effect in priority to the acceptance.

1.3.5 If you do nothing

If you are an Eligible Shareholder and you do nothing by 5.00pm WST on 21 December 2011, being the Closing Date, your Rights will form part of the Shortfall which will be dealt with as outlined in Section 1.5.

1.3.6 Form of Payment

All cheques must be drawn on an Australian Bank or Bank Draft made payable in Australian currency to “Carbon Conscious Limited” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form, together with your cheque, must be delivered to:

In person

Advanced Share Registry Services
150 Stirling Highway
NEDLANDS WA 6009

Or posted to

Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909

Those who elect to pay via BPAY® must follow the instructions for BPAY® set out in the Entitlement and Acceptance Form. Investors who elect to pay via BPAY® will not need to return their completed Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms or payment by BPAY® must be received no later than 5.00pm (WST) on the Closing Date.

1.4 Minimum Subscription

There is no minimum subscription to be raised pursuant to the Rights Issue Offer.

1.5 Shortfall

If you do not wish to take up any part of your Entitlement or trade your Rights under the Rights Issue Offer, you are not required to take any action. That part of your Entitlement not taken up or traded will form part of the Shortfall and will be dealt with in accordance with this Section 1.5. In these circumstances, you will receive no benefit. Accordingly, it is important that you take action to either accept or renounce your Entitlement in accordance with the instructions in Section 1.3.

Eligible Shareholders who have subscribed for their Entitlement in full may apply for additional New Shares by completing the Shortfall Application Form. Other investors entitled to participate under the laws of all relevant jurisdictions which apply to them, or any member of the public in Australia or New Zealand wishing to participate in any Shortfall should complete the Shortfall Application Form attached to this Prospectus.

The offer of the Shortfall is a separate offer pursuant to this Prospectus. The issue price of any New Shares offered pursuant to the Shortfall Offer shall be $0.28 being the price at which the Entitlement has been offered to Shareholders pursuant to this Prospectus.

To the extent that Eligible Shareholders do not take up their Entitlement in full, the resultant Shortfall will be allocated at the discretion of the Company and in accordance with the provisions of the Corporations Act and the Listing Rules. In the event that applications for the Shortfall cannot be filled in full or in part, Application Monies (without interest) will be refunded by the Company in accordance with the provisions of the Corporations Act. The Company does not guarantee that you will receive any Shortfall Shares.

The Directors reserve the right to separately place any Shortfall which is not taken up by Eligible Shareholders under the Rights Issue within 3 months after the Closing Date. These New Shares will be issued at the same price as offered to Eligible Shareholders under the Rights Issue.

1.6 Australian Securities Exchange Listing

The Company will apply to ASX for quotation of the Securities offered pursuant to this Prospectus within seven days after the date of this Prospectus. If an application for quotation of the Securities is not made within seven days after the date of this Prospectus, or ASX does not grant permission for official quotation of the Securities within three months after the date of this Prospectus, the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered under this Prospectus.

1.7 Allotment of Securities

Securities issued pursuant to the Offer will be allotted in accordance with the Timetable and otherwise in accordance with the Listing Rules. Where the number of Securities issued is less than the number applied for, or where no allotment is made under the Shortfall Offer, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

1.8 CHESS and Issuer Sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers make up the Company's register of Securities. The Company will not issue certificates to investors. Rather, holding statements (similar to bank statements) will be dispatched to investors as soon as practicable after allotment.

Holding statements will be sent either by CHESS (for new investors who elect to hold their Securities on the CHESS sub-register) or by the Company's Share Registry (for new investors who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of New Shares allotted under the Prospectus and provide details of a Holder Identification Number (for new investors who elect to hold their Securities on the Chess sub-register) or Reference Number (for new investors who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each new investor following the month in which the balance of their holding of New Shares changes, and also as required by the Listing Rules or the Corporations Act.

1.9 Risks

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company and its business model are detailed in Section 2 of this Prospectus. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

Key risk factors affecting an investment in the Company include:

Limited History - The Company was incorporated in January 2008 and as such has a limited operating history and limited financial information. Any profitability in the future from the Company's business will be dependent upon the existence and exploitation of current contracts and a carbon market.

Legislation – The market for carbon credits may be significantly affected by a change in the carbon legislation in the form of the Clean Energy Bill or other legislation amendments that impact on the demand for carbon credits.

Carbon Market Development - The market for carbon credits is an emerging market. As such, it will display volatile pricing and be subject to uncertainty, speculation and regulatory intervention. This may adversely affect the profitability of the Company into the future.

Scientific & Technology Breakthroughs - The market for carbon offsets may be affected by any major scientific or technological breakthrough in the future that provides:

- 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.
- 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.
- 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.

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.

For further information in relation to the risk factors of the Company please refer to Section 2 of this Prospectus.

1.10 Overseas Shareholders

The Offer contained in this Prospectus is only available for acceptance by Shareholders with a registered address as at the Record Date in Australia or New Zealand. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of New Shares in any jurisdiction outside Australia or New Zealand.

The New 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 to whom the offer of New

Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

In accordance with the Securities Act (Overseas Companies) Exemption Notice 2002 (NZ), a person who, on the Record Date was registered as a holder of Shares with a New Zealand address but who, as at the time of this Offer no longer holds Shares is not eligible to participate in this Offer.

1.11 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Securities in the Company.

1.12 Privacy Disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Securities to provide facilities and services to Shareholders and Optionholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders and Optionholders can be obtained by that Shareholder or Optionholder through contacting the Company or the Share Registry.

1.13 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions relating to the Offer, please contact the Company on (08) 9287 5600.

SECTION 2 RISK FACTORS

2.1 Introduction

The Securities offered under this Prospectus should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their Entitlement, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the Securities will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the Securities.

2.2 Specific Risks

A number of specific risk factors that may impact the future performance of the Company are described below. Shareholders should note that this list is not exhaustive.

Carbon Market Development - The market for carbon credits is an emerging market it will display volatile pricing and be subject to uncertainty, speculation and regulatory intervention. This may adversely affect the profitability of the Company in the future.

Legislation - The market for carbon credits may be significantly affected by a change in the carbon legislation in the form of the Clean Energy Bill.

Scientific & Technology Breakthroughs - The market for carbon offsets may be affected by any major scientific or technological breakthrough into the future that provides:

- 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.
- 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.
- 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.

Rate and Amount of Carbon Sequestered - Although significant scientific resources and knowledge are utilised to forecast both rates and 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.

Limited History - The Company was incorporated in January 2008 and as such has a limited operating history and limited financial information. Any profitability in the future from the Company's business will be dependent upon the existence and current contracts and exploitation of a carbon market.

2.3 General Risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

Agricultural Risk - As an agricultural business the Company is subject to the risks specific to agriculture including:

- flood and drought.
- natural disasters.
- pest and disease; and
- yield variance.

Should the Company's operations be significantly affected by any or all of the listed agricultural risks, the Company's financial performance and position may also be impacted, which could impact on the value of the Company's Shares.

Government Policy Change - Government action or policy change in relation to environmental policies, carbon markets, taxation, property rights and carbon rights may adversely affect the Company's operational and financial performance. The market for carbon credits into the future is dependent on a number of variables surrounding the government's decisions in these areas.

Unforeseen Expenditure Risk – During the course of its operations, the Company may need to incur expenditure that has not been taken into account during the preparation of this Prospectus. Although the Company is not aware of any such expenditure requirement if such expenditure is incurred this may adversely impact on the performance of the Company.

Price Risk -The prices the Company receives for its product are currently established via the use of long term contracts with built in prices but could in future be subject to market forces that are beyond the control of the Company. The Company monitors the stability and trends of market prices closely and where possible will negotiate agreements that reflect market prices and maintain adequate underlying profit margins.

Ability to access suitable raw materials at cost effective prices - An inability to access suitable land, Mallee Tree seed and seedlings at cost effective prices will adversely affect the Company's performance.

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.

Competition - There is a risk that the Company will not be able to compete profitably in the competitive industry in which it intends to operate. The possibility exists for the nature and extent of competition to change rapidly which may result in loss to the Company.

Insurance - The Company may where, economically practical and available, endeavor to mitigate potential risks through relevant insurance cover. However such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

Share Market - Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance.

Share market conditions are affected by many factors including but not limited to the following:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism or other hostilities; and
- other factors beyond the control of the Company.

Future Capital Needs - Further funding of projects 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.

Economic and Government Risks - The future viability of the Company is also dependent on a number of other factors affecting performance of all industries including, but not limited to, the following:

- general economic conditions in Australia and its major trading partners;
- changes in Government policies, taxation and other laws;
- the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the carbon market;
- movement in, or outlook on, interest rates and inflation rates; and
- natural disasters, social upheaval or war in Australia or overseas.

2.4 Speculative Nature of Investment

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 Securities offered under this Prospectus. Therefore, the Securities offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

SECTION 3 PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The purpose of the Offer is to raise approximately $2,079,170 (before expenses). Assuming full subscription of the Offer, the proceeds of the Offer are planned to be used in accordance with the table set out below:

Proceeds of Offer	Full Subscription
2012 planting season costs[2]	
Deposits for land acquisition	$532,000
Plant and equipment	$457,000
Seedling order deposit	$316,800
Mini plug order deposit	$255,000
Other costs	
Working capital	$494,804
Expenses of the Offer[1]	$23,566
Total	**$2,079,170**

Notes:

1. Please refer to Section 5.9 of this Prospectus for further details of the expenses of the Offer.

2. As announced on 21 November 2011, the funds raised from this Rights Issue will be used to fund deposits for future land acquisitions, purchase seedlings for the 2012 planting season, and provide general working capital for the business. The additional funding is necessary to assist the Company to meet the future demand for carbon abatement projects.

3. The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Directors reserve the right to alter the way funds are applied on this basis.

3.2 Effect of the Offer and Pro Forma Consolidated Statement of Financial Position

The principal effect of the Offer, assuming the full subscription is raised, will be to:

(a) increase the cash reserves by approximately $2,079,170 (before expenses and outlays) immediately after completion of the Offer; and

(b) increase the number of Shares on issue from 74,256,101 to approximately 81,681,711 Shares following completion of the Offer. Assuming conversion of the Convertible Notes after the Company's Annual General Meeting to be held 30 November 2011, a further 4,347,826 Shares will be issued, bringing the Company's total Shares on issue to 86,029,537 at 31 December 2011 after all expected equity transactions have been completed.

3.3 Pro Forma Consolidated Statement of Financial Position

The audited Consolidated Statement of Financial Position as at 30 June 2011 and the unaudited Pro Forma Statement of Financial Position as at 30 June 2011 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all New Shares pursuant to the Offer in this Prospectus are issued.

The unaudited Statements of Financial Position have been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Audited 30 June 2011	Fully Subscribed 30 June 2011*	All Expected Equity Transactions** 30 June 2011
ASSETS			
CURRENT ASSETS			
Cash assets	1,254,735	4,250,339	4,250,339
Trade and other receivables	2,053,389	2,053,389	2,053,389
Inventories	2,454,637	2,454,637	2,454,637
Other current assets	171,564	171,564	171,564
Other financial assets	10,494	10,494	10,494
TOTAL CURRENT ASSETS	**5,944,819**	**8,940,423**	**8,940,423**
NON-CURRENT ASSETS			
Plant and equipment	9,936,207	9,936,207	9,936,207
TOTAL NON-CURRENT ASSETS	**9,936,207**	**9,936,207**	**9,936,207**
TOTAL ASSETS	**15,881,026**	**18,876,630**	**18,876,630**
CURRENT LIABILITIES			
Trade and other payables	1,853,923	1,853,923	1,853,923
Interest-bearing liabilities	5,450,298	4,716,568	4,216,568
TOTAL CURRENT LIABILITIES	**7,304,221**	**6,570,491**	**6,070,491**
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	107,596	107,596	107,596
Deferred tax liability	55,564	55,564	55,564
TOTAL NON-CURRENT LIABILITIES	**163,160**	**163,160**	**163,160**
TOTAL LIABILITIES	**7,467,381**	**6,733,651**	**6,233,651**
NET ASSETS	**8,413,645**	**12,142,979**	**12,642,979**
EQUITY			
Issued capital	9,839,094	13,568,428	14,068,428
Share Options Reserve	900,066	900,066	900,066
Retained losses	(2,325,515)	(2,325,515)	(2,325,515)
TOTAL EQUITY	**8,413,645**	**12,142,979**	**12,642,979**

*Reflects pro-forma position upon issue of the 3,571,429 Shares to sophisticated and institutional investors, completion of the fully subscribed Offer, conversion of $233,730 worth of convertible notes held by Alto Capital Pty Ltd that occurred in August 2011, and conversion of $500,000 worth of Convertible Notes that occurred in August 2011.

**Reflects pro-forma position upon issue of the 3,571,429 Shares to sophisticated and institutional investors, completion of the fully subscribed Offer, conversion of $233,730 worth of convertible notes held by Alto Capital Pty Ltd that occurred in August 2011, and conversion of the remaining $500,000 worth of Convertible Notes that is expected to occur between 30 November 2011 and 31 December 2011 (subject to shareholder approval at the Company's Annual General Meeting).

The above pro forma unaudited Consolidated Statements of Financial Position have been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 30 June 2011 and the completion of the Offer, except:

Fully subscribed

(a) completion of the Rights Issue to raise $2,079,170, before expenses of the Rights Issue;

(b) expenses of the Rights Issue of approximately $23,566 which have been offset against proceeds of the issue;

(c) issue of approximately 3,571,429 Shares to sophisticated and institutional investors on approximately 24 November 2011 to raise $1,000,000 before costs;

(d) expenses of the issue of the 3,571,429 Shares to sophisticated and institutional investors of approximately $60,000 which have been offset against proceeds of the issue;

(e) conversion of $233,730 worth of $0.10 convertible notes held by Alto Capital Pty Ltd into Shares in August 2011 as approved by Shareholders at the General Meeting held 30 August 2011; and

(f) conversion of $500,000 worth of Convertible Notes to Shares in August 2011 as approved by shareholders at the General Meeting held 30 August 2011.

All expected equity transactions

(a) completion of the Rights Issue to raise $2,079,170, before expenses of the Rights Issue;

(b) expenses of the Rights Issue of approximately $23,566 which have been offset against proceeds of the issue;

(c) issue of approximately 3,571,429 Shares to sophisticated and institutional investors on approximately 24 November 2011 to raise $1,000,000 before costs;

(d) expenses of the issue of the 3,571,429 Shares to sophisticated and institutional investors of approximately $60,000 which have been offset against proceeds of the issue;

(e) conversion of $233,730 worth of $0.10 convertible notes held by Alto Capital Pty Ltd into Shares in August 2011 as approved by Shareholders at the General Meeting held 30 August 2011;

(f) conversion of $500,000 worth of Convertible Notes to Shares in August 2011 as approved by shareholders at the General Meeting held 30 August 2011;

(g) conversion of $500,000 worth of Convertible Notes expected to occur after the Company's Annual General Meeting to be held on 30 November 2011. There are currently 5 Convertible Notes on issue, each with a face value of $100,000. The total face value of the Notes is expected to be converted to Shares in the Company. The conversion rate is based on the lower of a 10% discount to the volume weighted average price of the Company's Shares on the ASX over the 5 days prior to conversion or 11.5 cents per Share. The closing Share price of the Company on 22 November 2011 was $0.285, therefore the conversion rate is expected to be 11.5 cents per Share resulting in an issue of approximately 4,347,826 Shares upon conversion of the Convertible Notes.

3.4 Effect on Capital Structure After Completion of Offer

A comparative table of changes in the capital structure of the Company as a consequence of the Offer (assuming full subscription) is set out below.

Shares	**Full Subscription (Number)**
Shares on issue at date of Prospectus	70,684,672
Shares offered to sophisticated investors not yet issued at prospectus date	3,571,429
Shares on issue at Record Date	**74,256,101**
New Shares issued pursuant to the Rights Issue Offer	7,425,610
Total Shares on issue after completion of the Offer[1]	**81,681,711**
Conversion of Convertible Notes[2]	4,347,826
Total Shares on issue after completion of the Offer[1] and completion of other expected equity transactions	**86,029,537**

Unlisted Options[3]	**Full Subscription (Number)**
Unlisted Options on issue at the date of this Prospectus	9,575,000
Total Options on issue after completion of the Offer	**9,575,000**

Unlisted Convertible Notes	**Full Subscription (Number)**
Unlisted Convertible Notes on issue at the date of this Prospectus, each with a face value of $100,000	5
Total Unlisted Convertible Notes on issue after completion of the Offer	**5**
Conversion of Convertible Notes after the Company's AGM	(5)
Total Unlisted Convertible Notes on issue after completion of the Offer and completion of other expected equity transactions	**-**

Notes:

1. The number of Shares issued assumes that no Options or Convertible Notes currently on issue are exercised prior to the Record Date.

2. Assumes a conversion rate of $0.115 as detailed on the previous page, section (g).

3. At the date of this Prospectus, 3,600,000 of the Unlisted Options on issue are vested and exercisable. Of the 3,600,000 Unlisted Options that are vested and exercisable at the date of this Prospectus, 2,400,000 have an exercise price less than the 22 November 2011 closing share price of $0.2850. This Prospectus has assumed the conversion of NIL Unlisted Options to Shares between the date of this Prospectus and Record Date. Should Unlisted Options be converted to Shares prior to the Record Date, the number of Shareholders entitled to participate in this Offer will increase by the number of Unlisted Options converted to Shares. New Shares offered under this prospectus will increase by the proportionate amount of Unlisted Options converted to Shares prior to the Record Date.

SECTION 4 RIGHTS ATTACHING TO SECURITIES

4.1 Terms and Conditions of New Shares

The following is a general description of the more significant rights and liabilities attaching to the New Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the New Shares are contained in the Corporations Act, the Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

Voting Rights

Subject to any rights or restrictions attached to any class of shares, whether by their issue, the Constitution, the Listing Rules or the Corporations Act, at a general meeting each Shareholder present in person or by proxy, company representative or attorney, is entitled to one vote on a show of hands. Upon a poll, every Shareholder present in person or by proxy, company representative or attorney, is entitled to one vote for each fully paid share that the Shareholder holds.

General Meetings

Each Shareholder is entitled to receive notice of and to be present, to vote and to speak at a general meeting of the Company. Further, each Shareholder is entitled to receive all notices, accounts and other documents required to be furnished to Shareholders under the constitution of the Company, the Listing Rules or the Corporations Act.

Dividend Rights

The Company may in general meeting declare a dividend which shall not exceed the amount recommended by Directors. The Company does not expect to pay dividends in the short to medium term.

Transfer of Shares

Subject to the constitution of the Company, the Corporations Act, the ASTC Settlement Rules and the Listing Rules, Shares are freely transferable. Shares may only be transferred by a proper instrument in writing delivered to the Company, and the transferor is deemed to remain the holder of the Shares until the name of the transferee is entered into the Company's register of members. The Company may decline to register a transfer where permitted by law, the Listing Rules or the ASTC Settlement Rules.

Changes in Capital

Subject to the Corporations Act, the constitution of the Company and the Listing Rules, the Directors may consolidate, or divide the Shares, allot, issue or otherwise dispose of new Shares on such terms and conditions as they determine.

Variation of Rights

The Company may only modify or vary the rights attaching to any class of Shares by a special resolution of the Company and a special resolution passed at a meeting of the holders of the issued Shares of that class.

Rights on Winding Up

Subject to 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 all assets that may be legally distributed among members will be distributed in proportion to the number of Shares held by them, irrespective of the amount paid up.

SECTION 5 ADDITIONAL INFORMATION

5.1 Nature of this Prospectus

This Prospectus is issued under the special prospectus content rules for continuously quoted securities in Section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information reasonably necessary to make an informed assessment of:

(i) the effect of the Offer on the Company; and

(ii) the rights and liabilities attaching to the New Shares offered pursuant to this Prospectus.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company.

5.2 Continuous Reporting and Disclosure Obligations

The Company is listed on ASX and its Shares are quoted on ASX under the code "CCF".

The Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will provide a copy of each of the Annual Report for financial year ended 30 June 2011 and the Half-Year Report for 6 months ended 31 December 2010 to any person on request, prior to the Closing Date.

The Company will provide a copy of all documents used to notify ASX of information relating to the Company under the provisions of the Listing Rules since the Company lodged its most recent Annual Financial Report on 28 September 2011 free of charge to any investor who so requests prior to the Closing Date. A list of those documents for the period from 28 September 2011 to the time of lodging this Prospectus is set out in Section 6.

5.3 Market Price of Shares

The highest and lowest recorded closing market sale prices of the Shares quoted on ASX during the three (3) month period immediately prior the date of this Prospectus were $0.40 (on 8 November 2011 and 12 & 13 October 2011) and $0.28 (on 27 – 29 September 2011, 1 September 2011, and 23 & 26 August 2011), respectively. The last closing market sale price of the Shares quoted on ASX on the last day that trading took place in the Shares prior to the date of this Prospectus was $0.285.

5.4 Material Contracts

As at the date of this Prospectus, the Company has not entered into any new material contracts that have not been disclosed to the ASX.

5.5 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

5.6 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no benefits have been given or agreed to be given to any Director:

- to induce him to become, or to qualify him as, a Director; or
- for services rendered by him in connection with the formation or promotion of the Company or the Offer.

The direct and indirect interests of the Directors in the Securities of the Company as at the date of this Prospectus are as follows:

DIRECT HOLDINGS

	Stephen Lowe	Peter Balsarini	Trevor Stoney	Kent Hunter	Robert Payne	Andrew McBain
Shares	-	1	5,000	10,000	-	-
Options - $0.60, 8 Aug 13	-	500,000	-	-	-	-

INDIRECT HOLDINGS

	Stephen Lowe	Peter Balsarini	Trevor Stoney	Kent Hunter	Robert Payne	Andrew McBain
Shares	19,350	241,874	5,315,000	1,235,618	-	6,785,880
Options - $0.58, 31 Dec 11	300,000	-	-	-	-	-
Options - $0.20, 30 Nov 12	500,000	1,500,000	-	-	-	-
Options - $0.25, 30 Nov 13	500,000	1,500,000	-	-	-	-
Options - $0.40, 31 Dec 13	300,000	-	-	-	-	-

There are no Shares or Options held by the Company Secretary.

Notes:

1. The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting to be divided between the Directors as agreed.

2. The Company incurred remuneration costs relating to its current and previous Directors of $554,185 for the year ended 30 June 2010 and $606,509 for the year ended 30 June 2011 (includes salary, fees, superannuation and options received as compensation).

3. If a Director, at the request of the Board of Directors, performs extra services, the Company may pay that Director a fixed sum set by the Board of Directors for doing so. Directors are also reimbursed for out of pocket expenses incurred as a result of the directorship or any special duties.

5.7 Related Party Transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus other than as set out below.

5.8 Interests and Consents of Advisers

Other than as set out below or elsewhere in this Prospectus, no underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or has held within two years before lodgement of this Prospectus with ASIC, any interest in:

1. the formation or promotion of the Company; or

2. property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

3. the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Pursuant to Section 716 of the Corporations Act, Price Sierakowski Corporate has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Price Sierakowski has not caused or authorised the issue of this Prospectus, does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in its consent and to the maximum extent permitted by law expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of Price Sierakowski. Price Sierakowski will be paid approximately $6,500 for services in relation to this Prospectus. Price Sierakowski are legal advisers to the Company and have been paid fees totalling approximately $49,922 (exclusive of GST) for services provided to the Company in relation to legal matters over the past two years. Any further services required will be charged in accordance with its normal hourly rates and on commercial terms.

Mining Corporate Pty Ltd, a company of which Mr Kent Hunter is a director, has provided general advice to the Company and assisted in the preparation of this Prospectus. The Company estimates it will pay Mining Corporate Pty Ltd a fee of approximately $5,000 (excluding GST) for these services. The directors have determined that this related party transaction does not require member approval under Section 208 of the *Corporations Act 2011 (Cth*) as this is an arm's length transaction and therefore qualifies for the arm's length exception provided by Section 210 of the *Corporations Act 2011 (Cth*).

5.9 Estimated Expenses of the Offer

Assuming the Offer is fully subscribed, the estimated expenses of the Offer (excluding GST) are as follows:

Fees/Expenses	**$**
ASIC fees	2,168
Preparation of the Prospectus	5,000
Legal expenses	6,500
Printing, postage, ASX and other expenses	9,898
Total	**$23,566**

5.10 Electronic Prospectus

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

SECTION 6 INFORMATION AVAILABLE TO SHAREHOLDERS

The Company will provide a copy of each of the following documents, free of charge, to any Shareholder who so requests:

(a) the Annual Financial Report for the Company for the year ended 30 June 2011; and

(b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the period ended 30 June 2011 and prior to the date of this Prospectus.

Date	ASX Announcement
21 Nov 2011	Reinstatement to Official Quotation
21 Nov 2011	Capital Raising Sets Carbon Conscious up for Major Expansion
17 Nov 2011	Suspension from Official Quotation
15 Nov 2011	Trading Halt
11 Nov 2011	Origin Energy Exercises Bio Sequestration Options
8 Nov 2011	Senate Passes Clean Energy Act 2011
1 Nov 2011	Annual Report Clarification
31 Oct 2011	Appendix 4C - Quarterly
27 Oct 2011	Notice of Annual General Meeting/Proxy Form
12 Oct 2011	Passage of the Clean Energy Bill
6 Oct 2011	Appointment of Company Secretary

SECTION 7 DIRECTORS' CONSENT

This Prospectus is dated 23 November 2011 and is issued by Carbon Conscious Limited.

The Directors have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Carbon Conscious Limited has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of Carbon Conscious Limited.

Peter Balsarini
CEO & Executive Director
Date: 23 November 2011

SECTION 8 DEFINITIONS

Applicant means a person who applies for Securities pursuant to the Offer.

Application Money means the aggregate amount of money payable for Securities applied for in the Entitlement and Acceptance Forms.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

Business Day means any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules.

CHESS means Clearing House Electronic Sub-register System of ASX Settlement Pty Ltd (ACN 008 504 532).

Closing Date means the closing date of the Offer being 5.00pm (WST) on 21 December 2011 (unless extended).

Company means Carbon Conscious Limited (ACN 129 035 221).

Constitution means the Company's Constitution as at the date of this Prospectus.

Convertible Note or **Note** means a convertible note under the Convertible Note Deed, further details of which are set out in Sections 3.3 and 3.4.

Convertible Note Deed refers to the convertible note deed between Broadacre Asset Management Ltd and the Company (as amended).

Corporations Act means the Corporations Act 2001 (Cth).

Cth means the Commonwealth of Australia.

Directors means directors of the Company.

Dollars or **$** means dollars in Australian currency.

Eligible Shareholder means a Shareholder as at the Record Date.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Rights Issue Offer.

Entitlement and Acceptance Forms means the application forms accompanying this Prospectus.

GST means goods and service tax levied in Australia pursuant to A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Listing Rules means the Listing Rules of the ASX.

Lodgement Date means 23 November 2011.

New Shares means fully paid ordinary Shares offered pursuant to this Prospectus.

Note Holder means Broadacre Asset Management Ltd.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of ASX.

Opening Date means 5 December 2011.

Option means an option to acquire a Share in the capital of the Company.

Optionholder means the holder of an Option.

Prospectus means this prospectus dated 23 November 2011.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means 5pm WST on 2 December 2011.

Right means a right to subscribe for an Entitlement pursuant to this Prospectus.

Rights Issue and **Rights Issue Offer** and **Offer** means the renounceable rights issue of 7,425,610 New Shares on the basis of 1 New Share for every 10 Shares held at an issue price of $0.28 per Share together, further details of which are included in the "Details of the Offer" Section of this Prospectus.

Securities means a Share or Option.

Share means a fully paid ordinary share in the Company.

Shareholder means the holder of a Share as recorded in the register of the Company.

Share Registry means Advanced Share Registry Services.

Shortfall or **Shortfall Shares** means those New Shares under the Rights Issue Offer not applied for by Shareholders under their Entitlement.

Shortfall Application Form means the application form in respect to the Shortfall Offer accompanying this Prospectus.

Shortfall Offer means the offer for the Shortfall pursuant to this Prospectus.

Shortfall Settlement Date means 22 March 2012.

Timetable means the timetable (as varied from time to time) of the Rights Issue under this Prospectus as outlined on page 4.

WST means Western Standard Time, Perth, Western Australia.

PIN CHEQUE(S) HERE

RIGHTS ISSUE Entitlement and Acceptance Form

Carbon Conscious Ltd
ACN 129 035 221

Fill out this Application form if you want to apply for a Share in Carbon Conscious Ltd

- Please read the Prospectus
- Follow the instructions to complete this Application form (see reverse).
- Print clearly in capital letters using black or blue pen.

Number of Ordinary Shares you are applying for: x $0.28 per Share = Total amount payable

A Write the name(s) you wish to register the Securities in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

B Write your postal address here

Number / Street

Suburb/Town State Postcode

C CHESS participant – Holder Identification Number (HIN)

X

D Enter your Tax File Number(s), ABN, ACN or exemption category

Applicant #1 Applicant #2

Applicant #3

E Cheque payment details

Please enter details of the cheque(s) that accompany this application.

Name of drawer of cheque	Cheque No.	BSB No.	Account No.	Cheque Amount A$

F Contact telephone number (daytime/work/mobile)

G Email address

By submitting this Application form, I/We represent and warrant that I/we have read and understood the Prospectus to which this Application Form relates and declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of this Application Form and declare that all details and statements made by me/us are compete and accurate. I/We agree to be bound by the constitution of Carbon Conscious Ltd and agree to the terms and conditions of the Offer under this Prospectus (including the representations, warranties and agreements contained in the Prospectus), and in particular, that I/we have not relied on any other information provided by the Company other as set out in this Prospectus when making my/our decision to invest. I/We represent, warrant and undertake to the Company that our subscription for the above Securities will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for securities in the Company.

Application forms must be received by 5.00 pm WST on the Closing Date (or such earlier date as directed by the Company).

RIGHTS ISSUE Entitlement and Acceptance Form Cont.

INSTRUCTIONS TO YOUR STOCKBROKER

I/We have accepted		New Shares as per application form
and attach a cheque/bank draft for	$	being acceptance money at $0.28 per New Share
I/We wish to sell		rights to New Shares.

This instruction *has/has not previously been notified to you. (*Delete whichever is not applicable).

LODGEMENT INSTRUCTIONS

Acceptance of your entitlement in full
If you are accepting your entitlement in full or in part, please:

- complete the Entitlement and Acceptance Form; and
- forward it, together with your payment, so that it reaches Carbon Conscious Limited's share registry, Advanced Share Registry Services no later than 5.00pm WST on 21 December 2011.

Sale of your entitlement in full by your stockbroker
If you wish to sell your entitlement in full through your stockbroker, you should either:

- contact your stockbroker verbally and provide details as requested which appear overleaf; or
- complete the "Instructions to Your Stockbroker" section above and forward this and the Entitlement and Acceptance Form to your Stockbroker.

Sale of Part of Entitlement
If you wish to sell part of your entitlement and take up the balance:

- complete the front of this Entitlement and Acceptance Form where indicated in respect of the New Shares for which you want to subscribe;
- complete the section above marked "Instruction to Your Stockbroker" in respect of that part of your entitlement which you wish to sell; and
- lodge your completed Entitlement and Acceptance Form, together with your cheque for the amount due in respect of the New Shares you have accepted, with your stockbroker.

Transfer of Entitlement other than on ASX
If you wish to transfer your entitlement to another person other than on ASX, forward a completed and stamped standard renunciation form(s) (obtainable from your sharebroker or the Company's registry) together with your Entitlement and Acceptance Form to Advanced Share Registry Services not later than 5.00pm WST on 13 December 2011.

Entitlements Not Taken Up
If you decide not to accept all or part of your entitlement, you are advised to deal with the Rights rather than allow them to lapse. The part of the entitlement not accepted will revert to the Underwriter and you will receive no benefit. It is therefore important that you take action either to accept or renounce (sell) your entitlement in accordance with the above instructions.

Guide to the RIGHTS ISSUE Entitlement and Acceptance Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THE APPLICATION FORM

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.
These instructions are cross-referenced to each section of the Application Form.

INSTRUCTIONS

A. Write your full name. Initials are not acceptable for first names.

B. Enter your postal address for all correspondence. All communications to you from Carbon Conscious Ltd will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

C. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
NB: your registration details provided must match your CHESS account exactly.

D. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.

E. Complete cheque details as requested. Make your cheque payable to Carbon Conscious Ltd in Australian currency, cross it and mark it "Not Negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.

F. Enter your contact details so we may contact you regarding your Application Form or Application Monies.

G. Enter your email address so we may contact you regarding your Application Form or Application Monies or other correspondence.

CORRECT FORMS OF REGISTRABLE TITLE

ONLY legal entities can hold the Securities. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

LODGMENT

Mail or deliver your completed Application Form with cheque(s) attached to the following:

In person

Advanced Share Registry Services
150 Stirling Highway
NEDLANDS WA 6009

Or post to

Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact the Company on (08) 9287 5600.

PIN CHEQUE(S) HERE

SHORTFALL Entitlement and Acceptance Form

Carbon Conscious Ltd
ACN 129 035 221

Fill out this Application form if you want to apply for a Share in Carbon Conscious Ltd

- Please read the Prospectus
- Follow the instructions to complete this Application form (see reverse).
- Print clearly in capital letters using black or blue pen.

Number of Ordinary Shares you are applying for: x $0.28 per Share = Total amount payable

A Write the name(s) you wish to register the Securities in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

B Write your postal address here

Number / Street

Suburb/Town

State

Postcode

C CHESS participant – Holder Identification Number (HIN)

X

D Enter your Tax File Number(s), ABN, ACN or exemption category

Applicant #1

Applicant #2

Applicant #3

E Cheque payment details

Please enter details of the cheque(s) that accompany this application.

Name of drawer of cheque	Cheque No.	BSB No.	Account No.	Cheque Amount A$

F Contact telephone number (daytime/work/mobile)

G Email address

By submitting this Application form, I/We represent and warrant that I/we have read and understood the Prospectus to which this Application Form relates and declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of this Application Form and declare that all details and statements made by me/us are compete and accurate. I/We agree to be bound by the constitution of Carbon Conscious Ltd and agree to the terms and conditions of the Offer under this Prospectus (including the representations, warranties and agreements contained in the Prospectus), and in particular, that I/we have not relied on any other information provided by the Company other as set out in this Prospectus when making my/our decision to invest. I/We represent, warrant and undertake to the Company that our subscription for the above Securities will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for securities in the Company.

Application forms must be received by 5.00 pm WST on that date which is 3 months after the Closing Date (or such earlier date as directed by the Company).

Guide to the SHORTFALL Entitlement and Acceptance Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THE APPLICATION FORM

This application form is for use only if you wish to take up more shares than you would be entitled to based on your record date shareholding.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.
These instructions are cross-referenced to each section of the Application Form.

INSTRUCTIONS

A. Write your full name. Initials are not acceptable for first names.

B. Enter your postal address for all correspondence. All communications to you from Carbon Conscious Ltd will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

C. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
NB: your registration details provided must match your CHESS account exactly.

D. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.

E. Complete cheque details as requested. Make your cheque payable to Carbon Conscious Ltd in Australian currency, cross it and mark it "Not Negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.

F. Enter your contact details so we may contact you regarding your Application Form or Application Monies.

G. Enter your email address so we may contact you regarding your Application Form or Application Monies or other correspondence.

CORRECT FORMS OF REGISTRABLE TITLE

ONLY legal entities can hold the Securities. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

LODGMENT

Mail or deliver your completed Application Form with cheque(s) attached to the following:

In person

Advanced Share Registry Services
150 Stirling Highway
NEDLANDS WA 6009

Or post to

Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact the Company on (08) 9287 5600.