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Dear Sir

CARBON CONSCIOUS LIMITED BROADCAST

CARBON CONSCIOUS LIMITED (CCF) provides the opportunity to listen to an audio broadcast with Mr Peter Balsarini, CEO in a presentation titled "**Carbon Conscious Responds to CPRS Delay - Mr Peter Balsarini, CEO and Executive Director**".

To listen, simply copy and paste the link below onto your Internet Browser or visit either Carbon Conscious website or Boardroom Radio Australia website.

brr.com.au/event/65651

The presentation details are as follows:

- Carbon Conscious Responds to CPRS Delay
- Presented by Mr Peter Balsarini, CEO & Executive Director
- Thursday, 6 May 2010 11:30AM (EST)

A copy of the transcript is attached.

Yours sincerely



Tim Jones
Company Secretary

encl.

**RADIO INTERVIEW WITH PETER BALSARINI, CHIEF EXECUTIVE OFFICER,
CARBON CONSCIOUS LIMITED, CONDUCTED ON WEDNESDAY, 5 MAY 2010.**

Q1 Today I'm joined by Mr Peter Balsarini who's the CEO at Carbon Conscious. Peter, welcome back.

A1 Thank you, Tom.

Q2 Peter, you've just released your quarterly report to the market and I was wondering if you could take us through some of the highlights during the period.

A2 Yeah, sure, Tom. I guess this quarter, the first quarter of the calendar year, has been a quarter of consolidation for us, really, and we have a lot of contractual undertakings in terms of our plantings and we've been busily preparing land and seedlings for our contracts with both BP and Origin. That has actually come together quite well. There's a significant process involved when you're looking at planting up to 6 million seedlings – 6 million trees – which we're doing this year. So we've been busily preparing that. I guess, on the other side of things, we've continued to work with clients around new opportunities. Some of those discussions are very detailed. And we've also had some success within the voluntary market with some smaller transactions. So, you know, this quarter has been very positive. We're very pleased about where we're sitting from a Company perspective and I guess the report talks to that.

Q3 I suppose, disappointingly, Kevin Rudd has announced that the government has deferred its CPRS legislation until 2012. What's your take on this outcome?

A3 Yeah. Look, obviously, Tom, it is very disappointing from our perspective. I mean, the business revolves around planting trees for the production of carbon offsets, and those carbon offsets have a value under an emissions trading scheme. The government had delayed the legislation for a period of time previously and that was disappointing as well. This one really smacks of the problems of, you know, politicians dealing with issues that must be dealt with and the short-term nature of their foresight, I guess. So we're obviously disappointed that the Prime Minister has delayed that. It leaves a policy vacuum in a number of areas. There is a lot of commentary and, since that announcement, the Rudd government has come across a whole lot of criticism about their position here, and there is some opportunity for the government to do other things in the policy area to deal with the interim period between now and when the CPRS is supposedly to start in late 2012. And, interestingly, the government has still maintained their position in relation to the reduction of carbon by 2020, so the 5 per cent reduction on 2000 levels by 2020. Now, for the government to do that they must put initiatives in. I guess we're waiting to see and we're talking very seriously about what those initiatives can and will be. Ultimately, you know, the model that we've got – the growing of native trees in marginal land – is a low-cost solution to carbon

into the atmosphere, and I guess in one form or another we see a whole lot of value in our trees. So it certainly is a setback for the Company in some respects but, probably most importantly, it's a setback for Australia and for the environment for that matter.

Q4 Peter, what are going to be the main ramifications for your business and how are you planning on reacting?

A4 Certainly. Well, look, as I've said, you know, it is a setback and we can't walk away from that. But we are in a very fortunate position, and the fortunate position is we have contractual undertakings with our clients to plant trees, both in the 2010 season and the 2011 season, and they're substantial plantings – as I mentioned, 6 million seedlings going in the ground – so, you know, from that perspective, we are a little bit cocooned from the fallout because we have revenues and ongoing revenues under those contracts. Look, I guess the difficulty for us is that, you know, certainly the expansion opportunities that we were looking at in the planting may not necessarily occur. And, having said that, I did note that there could be other opportunities in terms of government initiatives. So, in a nutshell, fortunate position, however probably more difficult on an expansion side of things. Look, I guess we are looking at other opportunities. The voluntary market, as I mentioned at the outset, has been pretty positive for us and I guess we understand and we think that there will be a whole lot more opportunity. Naturally, when the government walk away from a mandatory position, voluntary opportunity becomes greater, and the fact that the economy is picking up will help drive that voluntary movement, so we'll be heavily involved in that aspect of the business. You know, I guess we're looking at other opportunities in other locations and, you know, other schemes are up and running. One of the big opportunities will be to export our credit internationally and that will require government changes to the current policy and we're negotiating very hard on that. So it does have ramifications certainly but, I guess, you know, the message is that we are a very stable and secure Company because we have contracts with big counterparties. Those contracts go over a 15-year period. I guess we have to be patient in terms of that system coming on. However, we have got some other opportunities that we're exploring as well.

Q5 Peter, many thanks for your time.

A5 All right. Good on you, Tom. Nice to talk to you.