

19 July 2010

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

ANNOUNCEMENT NUMBER 89

Via: ASX Online

Number of Pages: 11 (including this page)

ASX Code: CCF

Dear Sir

ASX Announcement No. 89 – Shortfall Placement and Convertible Note Issue

Shortfall Placement

Carbon Conscious Limited (**CCF** or **Company**) provides an update in relation to its entitlements issue.

On 20 May 2010, the Company issued a prospectus for a non-renounceable entitlements issue (**Prospectus**) on the basis of one (1) ordinary fully paid share for every two (2) shares held at the record date of 28 May 2010. The entitlements issue closed on 15 June 2010 leaving a shortfall of \$1,636,532.80 in terms of the total amount being sought in the Prospectus.

As noted in section 1.9 of the Prospectus, the Directors have a period of 3 months from the Closing Date to place any shortfall with parties selected by them. All shortfall allocations will be issued on the same terms as have been offered to Shareholders pursuant to the Prospectus.

The Company wishes to advise that it has placed an amount of \$500,000 to an investor party under the terms of the Proposectus with the new shares expected to commence trading onto the market on 21 July 2010. A copy of Appendix 3B, list of the top 20 shareholders and distribution schedule are appended.

The Company notes that it continues to seek further shortfall placement under the terms of the Prospectus.

Convertible Note Issue

Carbon Conscious Limited (**Company**) also advises that it has raised \$500,000 by way of an issue of Convertible Notes to wholesale clients of Alto Capital to further facilitate future funding and growth of the Company.

As noted below, the conversion of the Convertible Notes is subject to shareholder approval, which will be sought by the Company in compliance with ASX Listing Rule 10.11.

The key terms of the Convertible Notes are summarised below:

- (a) The funding term commences on 19 July 2010 until 30 June 2011 (**Funding Term**).
- (b) The notes will each have a face value of \$100,000.

- (c) 5 notes will be issued to raise \$500,000 at the commencement of the Funding Term . The Company may repay and redeem the notes at its election during the Funding Term.
- (d) A coupon rate of 11% per annum will be paid quarterly in arrears on the outstanding amounts of the Notes.
- (e) At the expiry of the Funding Term the noteholders have the option to:
 - Extend the Funding Term on the terms offered by the Company.
 - Require the Company to redeem the notes for the face value.
 - Convert the notes to Shares in the Company at the lower of:
 - 10% discount to the volume weighted average price of the Shares on ASX over the previous 20 days in which trades in the Shares occurred.
 - \$0.10 per Share.
- (f) Conversion of the notes to Shares will be subject to all necessary Shareholder and regulatory approvals having been obtained. If those approvals are not obtained, the Company will redeem the notes and will pay an additional amount to the noteholders equal to 20% of the face value of the notes.
- (g) If the conversion price calculated above is \$0.10 or less, the Company can elect to redeem the notes at their face value.

Yours faithfully



Peter Balsarini
CEO & Executive Director
Carbon Conscious

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

CARBON CONSCIOUS LIMITED

ABN

20 129 035 221

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary fully paid shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 5,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary fully paid shares |

4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Yes

5 Issue price or consideration \$0.10 per ordinary fully paid share

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

The \$500,000 raised from a shortfall placement will be used by the Company for the following purposes:

- (a) Acquisition of agricultural land for planting of trees for carbon sink purposes in the 2010 and 2011 planting seasons.
- (b) Continued development of voluntary market activities.
- (c) Expansion activities in alternative carbon markets and carbon related opportunities.
- (d) Working capital of the business.

7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates 19 July 2010

	Number	⁺ Class
8 Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	44,697,172	Ordinary Fully Paid Shares

	Number	⁺ Class
9 Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Nil	

⁺ See chapter 19 for defined terms.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the ⁺securities will be offered

14 ⁺Class of ⁺securities to which the offer relates

15 ⁺Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20 Names of any underwriters

21 Amount of any underwriting fee or commission

22 Names of any brokers to the issue

23 Fee or commission payable to the broker to the issue

- | | | |
|----|---|--|
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | +Despatch date | |

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

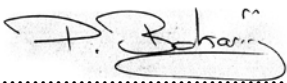
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
.....
(Director/Company secretary)

Date: 19 July 2010
.....

Print name: Peter Balsarini
.....

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+ See chapter 19 for defined terms.

TOP SPREAD REPORT

CARBON CONSCIOUS LIMITED

Date: 19/07/2010

ABN: 20 129 035 221

Operator: Patrick Gan

For Class: [87601]CCF ORDINARY FULLY PAID

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SPREAD OF HOLDINGS		NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1 -	1,000	7	3,218	0.007 %
1,001 -	5,000	248	1,040,539	2.328 %
5,001 -	10,000	111	919,168	2.056 %
10,001 -	100,000	199	6,598,467	14.763 %
100,001 -	999,999,999,999	48	36,135,780	80.846 %
TOTAL		613	44,697,172	100 %

LOCALITY ANALYSIS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
WESTERN AUSTRALIA	317	31,879,509	71.323 %
NEW SOUTH WALES	149	6,232,139	13.943 %
VICTORIA	61	1,868,298	4.180 %
QUEENSLAND	53	4,082,116	9.133 %
SOUTH AUSTRALIA	14	98,960	0.221 %
TASMANIA	5	26,050	0.058 %
AUSTRALIAN CAPITAL TERRITORY	5	286,150	0.640 %
NORTHERN TERRITORY	1	5,000	0.011 %
UNITED KINGDOM OF GREAT BRITAIN AND NTH IRELAND	3	35,000	0.078 %
NEW ZEALAND	3	28,950	0.065 %
HONG KONG	1	5,000	0.011 %
PRINCIPALITY OF MONACO	1	150,000	0.336 %
Total Australian Holders	605	44,478,222	99.510 %
Total Overseas Holders	8	218,950	0.490 %
Grand Total	613	44,697,172	100.000 %

TOP 20 HOLDERS REPORT

CARBON CONSCIOUS LIMITED

Date: 19/07/2010

ABN: 20 129 035 221

Operator: Patrick Gan

For Class: CCF ORDINARY FULLY PAID

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RANK	Shareholder	< CURRENT STATUS >				< PREVIOUS STATUS >			
		Total Units	% Issue Capital	Cum Units	% Cum Units	Total Units	% Issue Capital	Unit Change	% Unit Change
1	BROADACRE ASSET MANAGEMENT LIMITED	12,470,250	27.899	12,470,250	27.899	12,470,250	27.899	0	0.000
2	STONEYPASTORAL CO PTY LTD	5,000,000	11.186	17,470,250	39.086	5,000,000	11.186	0	0.000
3	MACRO FUND SERVICES PTY LTD	2,279,922	5.101	19,750,172	44.187	2,279,922	5.101	0	0.000
4	MICHAEL GRAHAM SHIELDS	1,850,000	4.139	21,600,172	48.326	1,850,000	4.139	0	0.000
5	GURRAVEMBI INVESTMENTS PTY LTD <SUPER FUND A/C>	1,250,000	2.797	22,850,172	51.122	1,250,000	2.797	0	0.000
6	RED EMPEROR RESOURCES NL	1,000,000	2.237	23,850,172	53.359	1,000,000	2.237	0	0.000
7	OZEAN INVESTMENTS PTY LTD <THE LOGARAJ NADAISAN S/F A/C>	817,709	1.829	24,667,881	55.189	817,709	1.829	0	0.000
8	TROJAN EQUITY LIMITED	730,000	1.633	25,397,881	56.822	730,000	1.633	0	0.000
9	BRIDGESUN PTY LIMITED	675,000	1.510	26,072,881	58.332	675,000	1.510	0	0.000
10	AVANTEOS INVESTMENTS LIMITED <DNR IMA A/C>	645,000	1.443	26,717,881	59.775	645,000	1.443	0	0.000
11	A P REYEM PTY LIMITED	608,750	1.362	27,326,631	61.137	608,750	1.362	0	0.000
12	RICHARD ALFRED COLLINS & VIVIEN THERESE COLLINS <THE RA COLLINS SUPER FUND>	568,750	1.272	27,895,381	62.410	568,750	1.272	0	0.000
13	CLIFTON PLACE PTY LTD <STEVENS FAMILY A/C>	489,583	1.095	28,384,964	63.505	489,583	1.095	0	0.000
14	TIMOTHY HAMILTON & LEONIE CHRISTINE HELDER	468,750	1.049	28,853,714	64.554	468,750	1.049	0	0.000
15	AUGUSTUS MINERALS LTD	400,000	0.895	29,253,714	65.449	400,000	0.895	0	0.000
16	MRS ATIKA LENZ	375,000	0.839	29,628,714	66.288	375,000	0.839	0	0.000
17	MR MICHAEL GRAHAM SHIELDS	373,952	0.837	30,002,666	67.124	373,952	0.837	0	0.000
18	WADLEY BICKLE PTY LTD <WADLEY SUPER FUND A/C>	343,750	0.769	30,346,416	67.893	343,750	0.769	0	0.000
19	PROPERTY MATE PTY LTD <PROPERTY MATE SUPER FUND A/C>	343,750	0.769	30,690,166	68.662	343,750	0.769	0	0.000
20	CLIFTON PLACE PTY LTD <STEVENS FAMILY A/C>	342,891	0.767	31,033,057	69.430	342,891	0.767	0	0.000
	TOTAL	31,033,057	69.430						