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29 August 2008

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

ANNOUNCEMENT NUMBER 10

Via: ASX Online

Number of Pages: 14 (including this page)

ASX Code: CCF

Dear Sir,

ASX Announcement No 10 – ASX Preliminary Final Report (Appendix 4E)

Please find attached the Preliminary Final Report for the activities of Carbon Conscious Limited for the period ending 30 June 2008 as required under ASX Listing Rule 4.3A.

Yours sincerely

Carbon Conscious Limited

Peter Balsarini
Chief Executive Officer and Company Secretary

CARBON CONSCIOUS LIMITED

ABN 20 129 035 221

ASX Preliminary Final Report
Appendix 4E

30 June 2008

Lodged with the ASX under Listing Rule 4.3A

Results for announcement to the market

			2008 \$'000
Revenue from ordinary activities	Up 100%		90
Profit (Loss) before income tax	Down 100%		(1,130)
Profit (Loss) after tax attributable to members	Down 100%		(1,130)

The company commenced operations on the 2nd January 2008 and listed on the ASX on the 21st May 2008.

The results for the period reflect the expenses incurred in the establishment of the business, the employment of staff and the ongoing administration costs. The results are consistent with the Directors expectations of the first six month of operation of the business.

Dividends

No dividends have been paid or declared since the start of the financial period and the directors do not recommend the payment of a dividend in respect of the financial period.

Review of operations

Carbon Conscious Limited is an Australian company producing carbon credits through 'carbon farming' - the planting of Mallee Eucalypt trees in Australia's wheatbelt region.

This is achieved through the Carbon Capture Program™ and involves partnering with landholders, carbon emitters and businesses under a form of carbon share farming to deliver benefits for each stakeholder.

These benefits include an offset of carbon emissions for business and significant environmental benefits to farmers and landholders through the reduction of the effects of salinity on their land.

Carbon Conscious combines its extensive experience in the Mallee Eucalypt, Agricultural and Funds Management industries to deliver these benefits.

Our objective is to be a leading supplier of carbon credits to the ever expanding national and international markets. We strive to be the company of choice for carbon emitters and businesses looking for quality and certainty of carbon credit supply in sufficient commercial volumes.

Key highlights of the financial year include:

Successful IPO

Carbon Conscious listed on the ASX on 21 May 2008. The Company received strong support from several key stockbrokers and their clients. Solid support for the offer was also received from the retail public demonstrating the interest that positive environmental undertakings have at present.

In the IPO, the Company issued 18,125,000 ordinary shares at \$0.40 cents per share raising \$7.25M. In total the Company has 37,375,000 ordinary shares on issue.

Lodgement of Accreditation

On 3 July 2008, Carbon Conscious announced to the market it had submitted its application for accreditation under the Federal Government's Greenhouse Friendly™ Program.

The Carbon Conscious Greenhouse Friendly™ Program application was prepared over a six-month period and involved extensive sampling and data analysis of the four selected Mallee Eucalypt species for establishment under the Company's Carbon Capture Program™. The Company engaged URS Forestry to assist with the application.

The research included measuring rates of carbon sequestration in Mallee Eucalypts established in plantations to ensure forecast growth projections are accurate and reliable. Reliable forecasts are critical to provide potential emitter clients with a high degree of confidence with their investment decisions.

The Greenhouse Friendly™ Program complies with the Kyoto Protocol standards and as such provides a strong foundation for the Company. Although yet to be confirmed by the Government, the Company expects that the Greenhouse Friendly™ standards will be adopted under the Government's proposed Carbon Pollution Reduction Scheme anticipated to be introduced in 2010.

The Company is awaiting final verification processes from the Greenhouse Office and will advise in due course on the success of the application.

Nursery Agreement Finalised

In late June 2008 Carbon Conscious signed a seedling supply agreement with Benara Nurseries, Australia's largest wholesale nursery, to supply a variety of Mallee Eucalypt seedlings and mini plugs for an initial 5-year period.

These seedlings will be utilised in large scale Mallee Eucalypt plantings in the Australian wheatbelt for the purpose of carbon sequestration.

The nursery agreement allows Carbon Conscious to order up to 44 million seedlings and/or mini plugs over a 5-year period at agreed prices and will facilitate carbon sink plantings in the order of 30,000 hectares over the same period.

The agreement formalises the Heads of Agreement outlined in the Company's prospectus dated 6 March 2008.

Initial Planting

Carbon Conscious recently planted 100,000 Mallee Eucalypt trees as part of the Company's 2008 Carbon Capture Program™.

The planting took place 4 hours north-east of Perth. The site and variety of Mallee Eucalypt were carefully selected. The good rainfall in the Western Australian wheatbelt ensured that the planting was completed effectively and efficiently.

The mallee plantation was established on land owned by a farmer who has been working with Carbon Conscious' largest shareholder, Broadacre Asset Management (BAM) over a number of years in their Grain Co-Production Projects.

The Company announced the successful completion of the planting to the market on 21 July 2008.

Green Paper Release

The release of the Government's Green Paper on 16 July 2008 on an Australian emissions trading scheme provided affirmation of the Carbon Conscious business model. Broadly, the Green Paper confirmed reforestation projects such as that to be undertaken by Carbon Conscious will be able to generate carbon pollution permits tradable under the scheme.

New Office

Carbon Conscious recently moved into new premises and can now be found at Level 1, 1 Outridge Crescent, Subiaco. The new office provides for a convenient central location for clients, shareholders and related businesses such as Australian Agricultural Contracts Limited and Macro Funds Limited.

**Preliminary Income Statement
For the Period 2 January 2008 to 30 June 2008**

	Notes	2008 \$
Revenue	4	89,822
Administrative expenses	5	(208,174)
Compliance and regulatory expenses		(11,828)
Consultancy expenses		(104,926)
Depreciation and amortisation expenses		(3,448)
Directors benefit expense		(180,325)
Employee benefits expense		(242,700)
Finance expenses		(1,392)
Marketing expenses		(73,317)
Occupancy expenses		(47,217)
Operating expenses	5	(33,421)
Option expense		(313,006)
Profit (Loss) before income tax		(1,129,932)
Income tax benefit		-
Net Profit (Loss) attributable to members		(1,129,932)
Basic profit (loss) per share (cents per share)	6	(5.88)

The accompanying notes form part of these financial statements.

**Preliminary Balance Sheet
As at 30 June 2008**

	Notes	2008 \$
Current Assets		
Cash and cash equivalents		6,649,103
Trade and other receivables		133,998
Stock on hand		30,970
Total Current Assets		6,814,071
Non-Current Assets		
Plant and equipment		33,294
Total Non-Current Assets		33,294
TOTAL ASSETS		6,847,365
Current Liabilities		
Trade and other payables		276,904
Provision		71,373
Total Current Liabilities		348,277
TOTAL LIABILITIES		348,277
NET ASSETS		6,499,088
Equity		
Issued capital	9	7,316,014
Reserves		313,006
Accumulated losses		(1,129,932)
TOTAL EQUITY		6,499,088

The accompanying notes form part of these financial statements.

**Preliminary Statement of Changes in Equity
For the Year ended 30 June 2008**

	Share Capital Ordinary	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
Balance at 2 January 2008	1	-	-	1
Shares issued during the year	7,851,625	-	-	7,851,625
Transaction costs	(535,612)	-	-	(535,612)
Options issued during the year	-	-	313,006	313,006
Profit attributable to members	-	(1,129,932)	-	(1,129,932)
Balance at 30 June 2008	7,316,014	(1,129,932)	313,006	6,499,088

The accompanying notes form part of these financial statements.

**Preliminary Cash Flow Statement
For the Period 2 January 2008 to 30 June 2008**

	Notes	2008 \$
Cash Flows from Operating Activities		
Receipts from customers		
Payments to suppliers and employees		(666,044)
Payments for stock		(30,970)
Interest received		68,845
Net cash flows used in operating activities	10	(630,169)
Cash Flows from Investing Activities		
Purchase of non-current assets		(36,742)
Net cash flows used in investing activities		(36,742)
Cash Flows from Financing Activities		
Proceeds from issue of shares		7,851,625
Payment of share issue costs		(535,612)
Net cash flows provided by financing activities		7,316,014
Net increase/(decrease) in cash held		6,649,103
Cash at the beginning of the financial year		-
Cash at the end of the financial year		6,649,103

The accompanying notes form part of these financial statements.

**Notes to the Preliminary Financial Statements
Period ended 30 June 2008**

1. BASIS OF THE PREPARATION OF THE PRELIMINARY FINAL REPORT

The preliminary final report has been prepared in accordance with the ASX Listing rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The accounting policies have been consistently applied, unless otherwise stated.

2. INCOME TAX

The Company has recognised an income tax benefit in 2008 of \$Nil.

3. DIVIDENDS

The directors recommend that no dividend be paid for the year ended 30 June 2008, nor have any amounts been paid or declared by way of dividend since the end of the previous financial year.

4. REVENUE	2008
	\$
Operating activities	
-interest received	89,822
Total revenue	89,822

Notes to the Preliminary Financial Statements
Period ended 30 June 2008

	2008
	\$
5. EXPENSES	
Expenses	
Operating expenses	
- Site preparation	421
- Seedlings and seed	33,000
Total operating expenses	33,421
Administrative expenses	
- Administration charge	60,000
- Legal expenses	3,312
- Insurance expenses	9,278
- Computer and system expenses	31,899
- Travel expenses	67,604
- Motor vehicle expenses	22,762
-Other	13,319
Total administrative expenses	208,174
6. EARNINGS PER SHARE (EPS)	2008
	¢
Basic loss per share (cents per share)	(5.88)
Weighted average number of shares used in the calculation of basic EPS	19,186,805
The amount used in the numerator in calculating basic EPS is the same as the net profit (loss) reported in the income statement.	

Notes to the Preliminary Financial Statements
Period ended 30 June 2008

7. SEGMENT REPORTING

The Company operates in Australia predominantly in the business segment of the production of carbon offsets.

	2008
8. NTA Backing	¢
Net tangible asset backing per ordinary share	0.17
	2008
9. ISSUED & PAID UP CAPITAL	\$
Ordinary shares fully paid	37,375,000
	<u>37,375,000</u>

Movements during the period:

Movements in issued and paid up ordinary share capital of the Company during the period since 30 June 2008 have been:

(a) Ordinary Shares

Date	Details	No. of Shares	\$
2/1/08	Opening Balance	1	1
3/1/08	Issue of fully paid ordinary shares	16,249,999	1,625
31/1/08	Issue of fully paid ordinary shares	3,000,000	600,000
12/5/08	Issue of fully paid ordinary shares	18,125,000	7,250,000
	Share issue costs		(535,612)
30/6/08	Closing Balance	<u>37,375,000</u>	<u>7,316,014</u>

**Notes to the Preliminary Financial Statements
Period ended 30 June 2008**

10. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of cash flow from operations with loss after income tax:	2008
	\$
Profit (Loss) after income tax	(1,129,932)
Non cash-flows in profit	
Equity settled transactions	313,006
Current stock	(30,970)
(Increase)/decrease in interest receivable	(22,977)
Depreciation expense	3,448
Changes in assets and liabilities	
(Increase)/decrease in trade and other receivables	(111,021)
Increase/(decrease) in trade payables and accruals	348,277
Net cash flow used in operating activities	<u>(630,169)</u>
Reconciliation of Cash	
Cash at bank and in hand	361,346
Short-term bank deposits	6,287,757
	<u><u>6,649,103</u></u>

11. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

**Notes to the Preliminary Financial Statements
Period ended 30 June 2008**

12. COMPLIANCE STATEMENT

This report is based on financial statements to which the following applies:

The financial statements have been audited.

The financial statements have been supplied to review.

The financial statements are in the process of being audited or subject to review.

The financial statements have not yet been audited or reviewed.



Peter Balsarini
Chief Executive Officer

Date: 29 August 2008