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Dear Sir,

MEDIA RELEASE

CPRS White Paper Confirms Carbon Conscious Model

The Federal Government's Carbon Pollution Reduction Scheme (CPRS) White Paper released on Monday 15 December 2008 provided further confirmation that carbon 'forest sinks' will be an important contributor of carbon permits into the Scheme.

Carbon Conscious welcomes this confirmation after recently gaining accreditation under the Federal Government's Greenhouse Friendly™ Program (GFP) for its forest sink Carbon Capture Program™.

After attending the official announcement in Canberra, Peter Balsarini, Carbon Conscious' CEO stated:

"The White Paper has reaffirmed the Government's commitment to forestry as the only net positive sequesterer of carbon. Forestry will be the only domestic source of CPRS permits available to the market other than purchasing permits at auction from the Government at the prevailing market price."

"Carbon Conscious is pleased the Government's stance on forestry offset generation is consistent with the Carbon Conscious Limited (ASX-CCF) business model and clears the way for our clients to gain access to physical carbon that ranks equally with carbon permits at a known price."

The CPRS White Paper highlighted that the Federal Government expects most forests established as a result of the Scheme will be not-for-harvest forests grown on marginal or less productive farmland.



Carbon Conscious is establishing its mallee eucalypt plantations on low to medium rainfall wheatbelt land and will not be competing with agricultural production.

The White Paper removed a number of technical issues around forestry, most notably addressing the key matters of measurement, retirement of carbon permits and specific elements relating to ongoing liability and risk management, which will provide further stimulus for investment by major Australian carbon emitters.

Although the 2020 targets of between 5-15% (15% if strong international commitment is reached) are considered to be at the lower end by environmental groups, the target still represents a 27% reduction on a per capita basis.

The White Paper is expected to provide additional certainty the market requires to make investment decisions in new technology and other abatement activities such as carbon forest sinks.

The Federal Government has committed to introducing legislation on the Scheme into the Parliament in mid 2009 with an expected start date of the Scheme on 1 July 2010.

For further information on the CPRS or comments on this announcement please contact Mr Peter Balsarini on 08 9286 5999.

Carbon Conscious (CCF) – More Information

Carbon Conscious creates large scale carbon estates to produce accredited carbon offsets. We do this by planting Mallee Eucalypt trees, a native species perfectly adapted to the growing conditions of the Australian wheatbelt. We are a progressive business born out of a company with a successful history in the agricultural sector. We have access to large areas of suitable land through our long standing strategic relationships with Australian farmers.

Visit our site for more information at www.carbonconscious.com.au.

Yours sincerely

Carbon Conscious Limited

Peter Balsarini

Chief Executive Officer and Company Secretary