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16 July 2009

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

ANNOUNCEMENT NUMBER 44

Via: ASX Online

Number of Pages: 4 (including this page)

ASX Code: CCF

Dear Sir

Carbon Conscious and Origin agree large scale carbon forest sink deal

16 July 2009: Carbon Conscious Limited (ASX code: CCF) and Origin Energy Limited (ASX code: ORG) have successfully completed due diligence and signed contracts for what the parties believe will be the largest carbon bio sequestration project in Australia to date, if fully exercised. The contract involves Origin paying Carbon Conscious to plant millions of native Mallee Eucalypt trees on less viable agricultural land in the wheatbelt regions of Australia for the production of Carbon Permits tradable under the Commonwealth Government's Carbon Pollution Reduction Scheme (CPRS).

Origin has engaged Carbon Conscious to establish environmental carbon offset plantings over the first 3 seasons (2009, 2010 and 2011). These plantings will have a face value of approximately \$26 million and comprise both upfront planting and ongoing licence and management fees payable over the 15-year term of the arrangement. In addition, Carbon Conscious will provide options for Origin to take up further environmental plantings between 2010 and 2014. The face value of these additional plantings is up to \$143 million and would be paid in a combination of upfront planting and ongoing licence and management fees. If the options are exercised by Origin in full, the deal would represent what the parties believe will be the largest carbon forest sink development program in Australia to date with a value of up to \$169 million to be paid over the 15-year life of the project.

Origin Executive General Manager, Policy and Sustainability, Mr Carl McCamish said, *"The agreement with Carbon Conscious forms part of our overall portfolio approach to managing Origin's ongoing liability under the proposed CPRS. The combination of strong environmental outcomes and a well constructed investment project provides us with an ideal opportunity in Australia's forest sink market, positioning us well with options and flexibility for various regulatory outcomes."*

This deal is the culmination of rigorous negotiation and due diligence and confirms the ASX announcement Carbon Conscious made on 7 May 2009 regarding the conclusion of commercial terms with a top 50 ASX Company.

Although significant in its scale from an industry perspective, the deal represents a minor percentage of the Carbon Conscious planting capacity over the contract term and is expected to provide the platform for a significant ramp up of operations and new investment.

Carbon forest sinks plantations have a unique role to play in the upcoming CPRS as they offer the only opportunity to source Australian Emission Units (AEUs) other than through the Government auction system. Companies gain access to a stream of carbon credits at a predetermined price and are therefore protected against future carbon price increases.

Carbon Conscious CEO Peter Balsarini said, *“Origin is a great Australian company and an ideal working partner for Carbon Conscious. The Origin project sets the industry benchmark and is perhaps the most remarkable example in Australia so far of taking environmental action and on-the-ground work with farmers. It is a fine example of enterprise and best practice.”*

“This project is good for farmers, good for the land and good for the rural economy. It will soak up millions of tonnes of atmospheric carbon and is a great example of how multiple stakeholders can work together to achieve a common favourable outcome.”

Carbon Conscious was established out of major grain investment company AACL. AACL operates the largest grain production business in Australia with its unique model partnering investors with professional grain farmers, planting approximately 750,000 acres to wheat, barley and canola in 2009. This unique relationship with AACL delivers Carbon Conscious a strategic advantage, providing the Company with access to vast tracks of land and farmers. It is expected that many AACL farmers will benefit from the Origin project where trees are planted on their properties. This will result in a financial benefit to those farmers as well as ongoing environmental benefits with alleviation of salinity and soil erosion.

The focus of Carbon Conscious is to create large scale permanent carbon forest sinks in the Australian wheatbelt to enable production of accredited carbon permits. This is achieved by planting Mallee Eucalypts, a native species adapted to the growing conditions of the Australian wheatbelt. The Mallee Eucalypts ‘sequester’ or store carbon from the atmosphere creating carbon forest sinks and AEUs under the proposed Australian Government’s CPRS.

Carbon Conscious also assists businesses and individuals seeking to offset their carbon emission footprints in the voluntary market.

Carbon Conscious has Abatement Provider status under the Commonwealth Government’s Greenhouse Friendly™ Program for its forest sink Carbon Capture Program™. The approved Abatement Provider status certifies Carbon Conscious’ business model of supplying low cost accredited carbon credits to Australian companies expected to have mandatory liabilities under the upcoming CPRS.

Carbon Conscious has access to large areas of suitable land via existing relationships with farmers and is experienced in the site planning, seedling production, planting and plantation management of Mallee Eucalypts in the Australian wheatbelt.

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Carbon Conscious (CCF) – More Information

Carbon Conscious creates large scale carbon estates to produce carbon offset credits under the Australian Governments proposed Carbon Pollution Reduction Scheme. 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.

www.carbonconscious.com.au

For further information about Origin please contact:**Media**

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About Origin Energy

Origin Energy is Australasia's leading integrated energy company focused on gas and oil exploration and production, power generation and energy retailing.

Listed in the ASX top 20 the company has approximately 4,000 employees, is a leading producer of gas in eastern Australia, is the largest owner and developer of gas-fired electricity generation in Australia and is a leading wholesaler and retailer of energy. The company services more than 3.5 million electricity, natural gas and LPG customers across Australia, New Zealand and the Pacific. Origin's strategic positioning and portfolio of assets provide flexibility, stability and significant opportunities for growth in the ever changing energy industry. Through Australia Pacific LNG, its 50:50 incorporated joint venture with ConocoPhillips, Origin is developing Australia's largest CSG to LNG project based on Australia's largest CSG reserves base.

In New Zealand, Origin is the major shareholder in Contact Energy, the country's leading integrated energy company, operating geothermal, thermal and hydro generation facilities and servicing electricity, gas and LPG customers across both the North and South islands. Origin also operates several oil and gas projects in New Zealand and is one of the largest holders of petroleum exploration acreage in the country.

Origin has a strong focus on ensuring the sustainability of its operations, is the largest green energy retailer in Australia and has significant investments in renewable energy technologies.

For more information go to www.originenergy.com.au

Yours sincerely



Geraldine Holland
Company Secretary