

27 February 2020

CORPORATE UPDATE – NUMBER 8 – ANNUAL GENERAL MEETING

- **Resolution to accept Remuneration Report carried**
- **Resolution to elect Mr Anthony Fitzgerald a director carried**
- **Resolution to elect Dr Natasha Ayers carried**
- **Resolution to elect Mr Raphael Wood carried**
- **Resolution to appoint Elderton Auditors carried**
- **Company founder Mr Andrew McBain confirms retirement as a director**
- **Mr Raphael Wood appointed as Chairman of the Board of Directors**

Carbon Conscious Investments Ltd (**CCIU** or **Company**) is pleased to provide an update on the result of the Annual General Meeting held on 26 February 2020 and of a resolution made by the Board following the AGM.

1. Chairman's Address at the Annual General Meeting

The Annual General Meeting was chaired by Company founder and Chairman of the Board Mr Andrew McBain. Mr McBain presented the Chairman's address (see box below).

Most shareholders would be aware that Carbon Conscious Investments Ltd is the result of the demerger of the carbon business from Alterra Limited on 31 December 2018.

Alterra (formerly Carbon Conscious Ltd, just to confuse everyone) was formed in December 2007. My involvement in the carbon business stretches back to about 2005 when I started looking into carbon sequestration opportunities for low productive land in Western Australia.

In 2007, we formed a team on the back of Keven Rudd being elected prime minister with a promise to implement a Carbon Pollution Reduction Scheme. With a very scant business plan based on "carbon credits will be big!" we successfully listed the company on ASX in May 2008.

At that time there was no carbon price, no federal legislation, no requirement for emitters to offset carbon, no bi-partisan position politically and no credible plan from government in relation to emission reduction.

Fast forward 12 years and some may argue that not much has changed!

Despite these challenges and the global financial crisis and a continually changing political and regulatory landscape, Carbon Conscious managed to execute circa \$80 million of carbon sequestration projects in Australia and New Zealand – resulting in 19,000 hectares of reforestation based on the planting of 22 million trees.

The legacy of these projects of which we as shareholders are benefitting from today in the form of bi-annual distributions, is expected to continue out to 2040. From an environmental context the benefits will continue for many decades. And that is something I am very proud of.

To the present, the decision to demerge from Alterra has meant that Carbon Conscious Investments can focus on its core business, is not exposed to new business risk outside of its core competencies and can maximise distributions to shareholders.

Legacy assets include:

- long term offtake and management contracts with blue chip customers that will underpin revenue to 2027;
- the registered right to claim ACCUs post 2027 in its own right until 2040;
- significant Intellectual Property in the area of reforestation project origination, development and management;
- an exceptional record of compliance; and
- strong working relationships with the CSIRO, the Australian Department of Agriculture Water and Environment, the Clean Energy Regulator, the Carbon Market Institute and other industry participants and service providers.

In its first year of operation as an independent entity Carbon Conscious' focus was on tight cost and risk control, and the Company's first distributions to shareholders which occurred in May and December 2019 totaling \$1.3M including franking credits.

The Company's management is aware that the distribution stream achieved in 2019 was well received by many shareholders and the distribution policy remains unchanged. It is acknowledged that some shareholders would like the opportunity to crystallise the value of their shares.

In recent months it feels like the attitude from citizens, business and even government has come full circle in relation to action on climate change and the need to find market based and economically sensible mechanisms to reduce emissions. While these are positive developments, we have 12 years of scar tissue to remind us of the challenges of execution in this industry.

With this in mind, management's focus in 2020 will be:

- continued cost and risk control to enable a continuation of the distribution stream paid out in 2019;
- creation of liquidity events or mechanisms for shareholders seeking to sell their shares;
- exploration of merger / acquisition opportunities with existing industry participants to seek to unlock greater value for the Company's assets;
- analysis of potential new carbon project opportunities as they present should the risk profile match the risk appetite of the Company's shareholders.

You may be aware that I have not sort election today as a director and will be stepping down as a director and Chair of Carbon Conscious Investments at the close of this meeting.

It has been quite a journey with many challenges, but I am proud of what everyone who has been associated with the Company and previously Alterra contributed and have achieved. I leave the Company in a sound position with the demerger bedded down and I am confident that the board will continue to act as diligent guardians of your company and investment.

2. Resolutions

The Chairman invited questions related to the Resolutions and called a Poll on the Resolutions, and all Resolutions were carried (see Appendix 1 on page 4).

3. Vote of Thanks

Mr Fitzgerald moved a vote of thanks to outgoing Chairman Mr McBain with points of note including the acknowledgment of Mr McBain's entrepreneurship in founding the Company, and his determined leadership through periods that presented significant challenges including decisions that avoided shareholder dilution during 2013 and 2014.

4. Post AGM Board Meeting

At a Board Meeting immediately following the AGM it was resolved that Mr Raphael be appointed Chairman of the Board of Directors

5. Strategic Review of Operations and Corporate Activity

Leading up to and since the AGM the Board and management have undertaken a series of meetings with key stakeholders, and following the AGM met to conduct a strategic review of operations and corporate activity. Some areas remain works in progress and the Board anticipates being in a position to communicate to shareholders a number of determinations in the near future.

Yours faithfully

A handwritten signature in black ink, appearing to read 'A Fitzgerald', with a long horizontal flourish extending to the right.

Anthony Fitzgerald - Executive Director and Company Secretary

APPENDIX 1 – PROXY AND POLL RESULTS CCIL AGM

Disclosure of Proxy Votes

Carbon Conscious Investments
Annual General Meeting
Wednesday, 26 February 2020

In accordance with section 251AA of the Corporations Act 2001, the following information is provided in relation to resolutions put to members at the meeting.

Resolution	Decided by Show of Hands (S) or Poll (P)	Total Number of Proxy Votes exercisable by proxies validly appointed	Proxy Votes				Poll Results (if applicable)		
			FOR	AGAINST	ABSTAIN	PROXY'S DISCRETION	FOR	AGAINST	ABSTAIN
1 Remuneration Report	P	92,206,250	92,050,389 99.83%	43,711 0.05%	0	112,150 0.12%	92,367,539 99.95%	43,711 0.05%	0
2 Election of Director – Mr Anthony Fitzgerald	P	111,002,894	110,852,033 99.86%	38,711 0.03%	0	112,150 0.10%	111,169,183 99.97%	38,711 0.03%	0
3 Election of Director – Dr Natasha Ayers	P	111,002,894	110,877,033 99.89%	13,711 0.01%	0	112,150 0.10%	111,194,183 99.99%	13,711 0.01%	0
4 Election of Director – Mr Raphael Wood	P	111,002,894	110,842,033 99.86%	48,711 0.04%	0	112,150 0.10%	111,159,183 99.96%	48,711 0.04%	0
5 Appointment of Auditor – Elderton Audit Pty Ltd	P	111,002,894	110,845,744 99.86%	45,000 0.04%	0	112,150 0.10%	111,162,894 99.96%	45,000 0.04%	0