

26 February 2021

CORPORATE UPDATE – NUMBER 13 – RESULTS OF ANNUAL GENERAL MEETING

Resolution to accept the Remuneration Report carried
Resolution to re-elect Dr Natasha Ayers to the Board of Directors carried

Carbon Conscious Investments Ltd (**CCIU** or **Company**) is pleased to provide the result of the Annual General Meeting held in Perth on 26 February 2021.

1. Chairman's Address at the Annual General Meeting

With the Chairman of the Board of Directors (Mr Raphael Wood) attending by Zoom from Canberra the Annual General Meeting was chaired by Non-Executive Director Dr Natasha Ayers who presented the Chairman's address on behalf of Mr Wood (see box below).

2. Resolutions

Following a Poll, the Chair declared both Resolutions were carried (see Appendix 1 on page 3).

It has been a fascinating 12 months for me since being elected as independent Non-Executive Chair in March 2020.

Our main focus as a board in 2020 was to review the state of the company to ensure we can best protect shareholder value in the near term and maximise any future value that could be realised for shareholders through changes to the projects.

The paradigm we worked through was looking at the company as one might examine it for due diligence in any possible acquisition. An appropriate measure of this was to look at the potential value of future revenue over the life of the carbon projects, and the potential risks to those future revenues.

Through that lens, the Board conducted a review of the key operational risks, focussing on the following specific areas:

1. Assessing the state of the forest portfolio post the devastating drought conditions across WA.
2. Opportunities to change methodologies for Project 2 to maximise returns to shareholders.
3. Ensuring an efficient and effective working relationship with Alterra who are contracted to provide the services that enable successful management of the carbon farming projects that are the company's core activity.
4. Contracts between Origin, BP and CCIU – ensuring strong working relationships continue.

This was valuable work, and I am happy to report briefly on each area of significance.

Forest monitoring during 2020 identified the first signs of drought and heat wave related moisture stress and tree losses in the forest portfolio that appeared to be of a significant scale. Accordingly, the company began a detailed review of the tree losses, and to accurately measure and report any issues to the Clean Energy Regulator in a timely manner to ensure we continued to meet the requirements of the carbon methodologies. For clarity, the losses were material enough to require reporting to the regulator, and while full quantification remains a work in progress our current view is that they will not be of a magnitude that dramatically impacts their value. We will report on the results when we have them.

We examined the potential to change methods to the modelled environmental plantings method. While there is some merit in this potential change, until we understand the forest losses more accurately, a decision cannot be made. Again, we will update you as more information comes to hand.

The CCIU board has held positive discussions with Alterra on the project services contract and management is focussed on completing the forest status review and delivering the Offset Reports that generate ACCUs for our clients.

Finally - the company maintains regular contact with its key clients Origin and BP and our relationships remain positive and constructive.

There were several things which arose this year that the board has had to consider.

2020 showed that Black Swans can and do show up. COVID 19 did not affect the business greatly, however we have identified a few key risks associated with cashflow that could affect shareholder value. We will consider how best to tackle issues around managing cashflow contingencies whilst maintaining shareholder dividends at an appropriate level.

For those who perhaps don't follow the carbon industry as closely as I do, it is worth noting that there were several carbon industry consolidation events last year and general increased M&A activity which were of interest. The tops 3 carbon project developers (by ACCU Volume) GreenCollar, Select Carbon, and Climate Friendly were all acquired by investors (KKR, Shell and Adamantium respectively) in 2020.

Therefore, it is quite likely that in 2021 CCIU will be approached regarding potential acquisition of the company. I am happy that the board is in a much better place to have such discussions with potential suitors having undertaken the reviews over the last 12 months, and ensure the best value is achieved in any such transaction.

I would like to thank Natasha and Anthony for their tireless and valuable contribution throughout 2020, and specifically thank Anthony for steering the company through some challenging times this year as the sole employee and MD of CCIU.

Thank you for your continued support.

Regards

Raf Wood

Yours faithfully

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

Anthony Fitzgerald

Managing Director and Company Secretary

Disclosure of Proxy Votes

Carbon Conscious Investments

Annual General Meeting

Friday, 26 February 2021



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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	68,788,254	68,010,254 98.87%	758,000 1.10%	6,641,206	20,000 0.03%	68,235,254 98.90%	758,000 1.10%	6,641,206
2 Election of Director – Dr Natasha Ayers	P	87,992,148	86,926,148 98.79%	1,030,000 1.17%	0	36,000 0.04%	87,167,148 98.83%	1,030,000 1.17%	0