

4 November 2021

CORPORATE UPDATE – NUMBER 15

Corporate Activities

The Company has received correspondence from a party with respect to an unsolicited offer under section 1019D of the *Corporations Act 2001* (Cth) being made to Carbon Conscious Investments Limited (**CCIU**) shareholders. The offer is for up to a maximum of 34,555,761 fully paid ordinary shares in CCIU, representing approximately 19.9% of CCIU's issued share capital priced at \$0.025 (2.5c) per share (**Unsolicited Offer**). The offer expires at 5.00pm WST on 18 December 2021.

The Directors advise that other than an email with the unsolicited offer no approach or contact has been made by the party to CCIU.

If you are a CCIU shareholder and have received the unsolicited offer the Directors recommend you **TAKE NO ACTION**.

The Company is in advanced negotiations with respect to a Takeover Proposal for all CCIU shares which, if consummated, is expected to be a superior proposal to the Unsolicited Offer. To facilitate the Takeover Proposal negotiations the Directors have delayed making a determination on further dividends.

As at the date of this update, the Directors anticipate a bid implementation agreement with respect to the takeover proposal will be executed prior to the Unsolicited Offer expiring on 18 December 2021. The Directors will provide a further update if there are any changes with respect to this anticipated timing.

Operational Activities

The completion of a detailed assessment of forest health and remapping of the extant forest area within the carbon abatement areas (CEAs) of Carbon Conscious Carbon Capture Project 2 (Project 2) confirmed the area qualifying to remain within CEAs would be reduced from 11,007 to 9,861Ha which triggered the need to report to the Clean Energy Regulator (CER) that a Significant Growth Interruption Event had occurred. The report to CER included modelling that at the time of the next Offset Report the yield from that projected marginal and cumulative abatement on the remaining extant forest would see the Project in position to make a claim for additional ACCUs.

Work on the destructive sampling of trees to update the allometric equations required for a Stem Diameter Measurement Methodology based Project 2 Full Inventory Offset Report and ACCU Claim is a work in progress.

Having reviewed the economic efficiencies of methods that could be used to manage Project 2 and make Offset Reports and ACCU claims an application to vary the Project 2 Method to FullCAM has been lodged with the CER.

The timing of the next Project Offset Report will be dependent on the CER decision on the application to vary the Method.

Work to complete an Offset Report and ACCU Claim for Project 1 (based on the FullCAM Method) is part completed and the next Offset Report is expected to be completed within November.

Property inspections recently completed reveal that the forest estate has responded well to the best seasonal conditions since 2016.

Yours faithfully



Anthony Fitzgerald
Managing Director and Company Secretary