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Dear Sir

Carbon Conscious expands to New Zealand after deal with major Australasian energy company

31 March 2011: Australasia's leading carbon forest sink project developer Carbon Conscious Limited (ASX:CCF) today announced an expansion into the New Zealand market through a carbon forest sink deal agreed with a major Australasian energy company.

The contract involves significant investment by an international carbon forest sink company in the New Zealand carbon forest industry and will involve plantings to occur over multiple planting seasons commencing in 2011. The contract capitalises on the establishment of forestry in the New Zealand Emission Trading Scheme which commenced on 1 January 2008, with additional industry sectors introduced on 1 July 2010 and allows liable companies to offset their liability with carbon offsets generated from forestry projects.

The new contract has a face value of approximately NZ\$11M over the contract term. The deal involves Carbon Conscious Ltd, through 100% owned subsidiary Carbon Conscious New Zealand Limited, establishing the carbon forest sink plantings over multiple seasons.

"We are excited about our expansion into New Zealand and pleased that we have secured our initial New Zealand client. The New Zealand expansion offers Carbon Conscious a significant opportunity to capitalise on our technical and operational capabilities and client relationships. Given the established nature of the carbon market in New Zealand we believe the New Zealand business model has the potential to be as rewarding as the Company's Australian operations, said Carbon Conscious CEO, Peter Balsarini.

New Zealand offers excellent opportunities for carbon forest sink companies as it has high and reliable rainfall, strong property laws, stable and supportive Government and institutions and an established Emissions Trading Scheme since 1 July 2011. The New Zealand market also offers important flexibility to participants as forestry credits produced can be used internally for compliance purposes or exported to the international carbon markets.

The contract secures a strong financial base for the company and comes at a time when the Australian carbon market has been reinvigorated by the recent announcements by the Australian Prime Minister to legislate both a carbon price to commence July 2012 and the Carbon Farming Initiative to generate government backed internationally tradable forestry credits.

Carbon Conscious has established New Zealand operations and has relocated existing staff from the Australian business to New Zealand. Mr Tom Reynolds has been appointed General Manager Carbon Conscious New Zealand and has over 25 years experience in the New Zealand forestry sector.

This announcement follows major deals in 2009 with Origin Energy and BP and more recent deals with Wesfarmers Insurance as well as Australia's first international AAU trade with Perenia designed for the Australian Governments Carbon Farming Initiative.

Yours faithfully



Peter Balsarini
CEO & Executive Director
Carbon Conscious

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Carbon Conscious New Zealand Ltd – More Information

Carbon Conscious New Zealand is a 100% owned subsidiary of Carbon Conscious Ltd. The company combines significant expertise in the New Zealand forest industry with specialized carbon forest sink, financial, project management and client engagement capabilities to create value for stakeholders.

www.carbonconsciousnz.co.nz

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Carbon Conscious Ltd – More Information

Carbon Conscious creates large scale carbon estates to produce carbon offset credits under the Australian Governments proposed Carbon Farming Initiative (CFI) expected to be legislated during 2011. We do this by planting Mallee Eucalypt trees, a native species perfectly adapted to the growing conditions of the Australian wheatbelt.

www.carbonconscious.com.au