



*“AACL is in my opinion one of the most positive and innovative concepts that I have experienced in my 46 years of farming.”*

Trevor Stoney - 70,000 acre Farmer  
Geraldton, Western Australia

## Corporate Overview

AACL manages the largest grain production operation in Australia on behalf of investors. In 2009 AACL was contracted to plant wheat, barley and canola on 700,000 acres of land across the Australian Grain-belt.



# Group Summary

## AACL

AACL was founded in Western Australia in 1997 to investigate ways to assist Australian grain farmers to better manage their production and price risks and to provide farmers with access to investor funds in line with other major Australian industries. In response, AACL has developed and operated a unique product known as Grain Co-Production (GCP) to achieve these objectives.

Grain Co-Production involves partnering farmers with investors to grow crops and has evolved significantly since 2004 in response to the requirements of both farmers and investors. Grain Co-Production continues to be the cornerstone product offered to farmers by AACL.

AACL is the interface between farmers and investors and the success of Grain Co-Production in WA has led to the national launch of the product in 2008, with wheat, barley and canola contracts available nationally.

In addition to AACL's head office in Perth and regional staff across WA, AACL has now established an office in Melbourne and regional staff in NSW, VIC and SA. AACL is also offering farmers more than just Grain Co-Production, with the development of new products in grain marketing, carbon credits and land acquisition. AACL has invested over \$200 million with farmers to grow crops since 2005.

For further information about AACL visit [aacl.com.au](http://aacl.com.au)

## AACL FUNDS MANAGEMENT

AACL Funds Management is a related party to AACL which specialises in raising money from investors and managing that money on their behalf.

AACL Funds Management currently administers approximately \$200 million of investor funds for various investments including the AACL Grain Co-Production Projects, various property funds, equities (shares) and fixed interest.

In regards to the AACL products, AACL Funds Management is responsible for:

- Providing the Australian Financial Services Licenses required to successfully operate the Grain Co-Production, Land Fund and Grain Marketing products and services.
- Acting as the Trustee or "Responsible Entity" of the Grain Co-Production and Land investments.
- Raising the money from the investors.
- Providing ongoing reporting to investors.

For further information about AACL Funds Management visit [aacl.com.au](http://aacl.com.au)

## CARBON CONSCIOUS LTD

Carbon Conscious listed on the Australian Securities Exchange in May 2008 (ASX code: CCF) and is a related party to AACL. The focus of Carbon Conscious is to create large scale permanent carbon forest sinks in the Australian Grain-belt 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 Grain-belt.

Carbon Conscious was incorporated in order to participate in the emerging carbon credit market. The unique relationship with AACL delivers Carbon Conscious a strategic advantage by providing access to vast tracks of land and farmers.

Carbon Conscious negotiates with carbon emitters who pay to plant trees on less viable agricultural land to reduce their carbon liability. Over time the trees capture and store carbon from the atmosphere which is then converted to Carbon Permits.

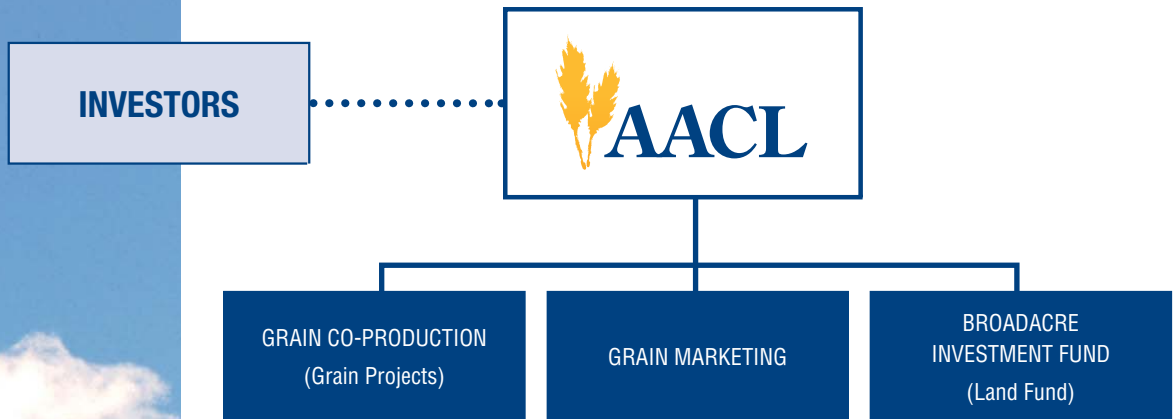
In July 2009, Carbon Conscious and Origin Energy Limited successfully completed due diligence and signed contracts for what the parties believe will be the largest carbon bio sequestration project in Australia to date, with a value of up to AUD\$169 million to be paid over the 15 year life of the project, if fully exercised.

In October 2009, Carbon Conscious and BP signed contracts for a large scale project involving the planting of up to 10 million trees. BP has engaged Carbon Conscious to establish plantings in 2010, with an investment of over AUD\$2.5 million, plus ongoing licensing fees. In return, both companies will share in the value of the resulting carbon offsets over a 15 year period.

For further information about Carbon Conscious visit [carbonconscious.com.au](http://carbonconscious.com.au)



# Our Products



## Grain Co-Production (Grain Projects)

Grain Co-Production is effectively an extension to the principals of share farming. Investors provide the funds to grow wheat, barley and canola crops and farmers provide the land, equipment, inputs and expertise. The risks and rewards of growing the crop are shared by the farmer and investor, with farmers incentivised to out perform.

Grain Co-Production is effectively a cash-flow and income protection product and is the only product of its kind available to Australian grain farmers.

## Grain Marketing

The onset of deregulation in the Australian grains industry and the increased volatility in international grain markets has meant that farmers require access to professional information and advice more than ever before. AACL is continuing to develop a team of experienced and professional people whose aim is to protect and enhance the value of the grain (where possible) for investor and farmer clients in the Grain Co-Production Projects. For farmer clients who participate in Grain Co-Production, AACL will:

- Manage the day to day price risk of the grain in the Project Pools.
- Manage the ticket allocations for all of the physical grain produced.
- Provide direct managed pool options for farmers.
- Provide ongoing market updates and strategy.

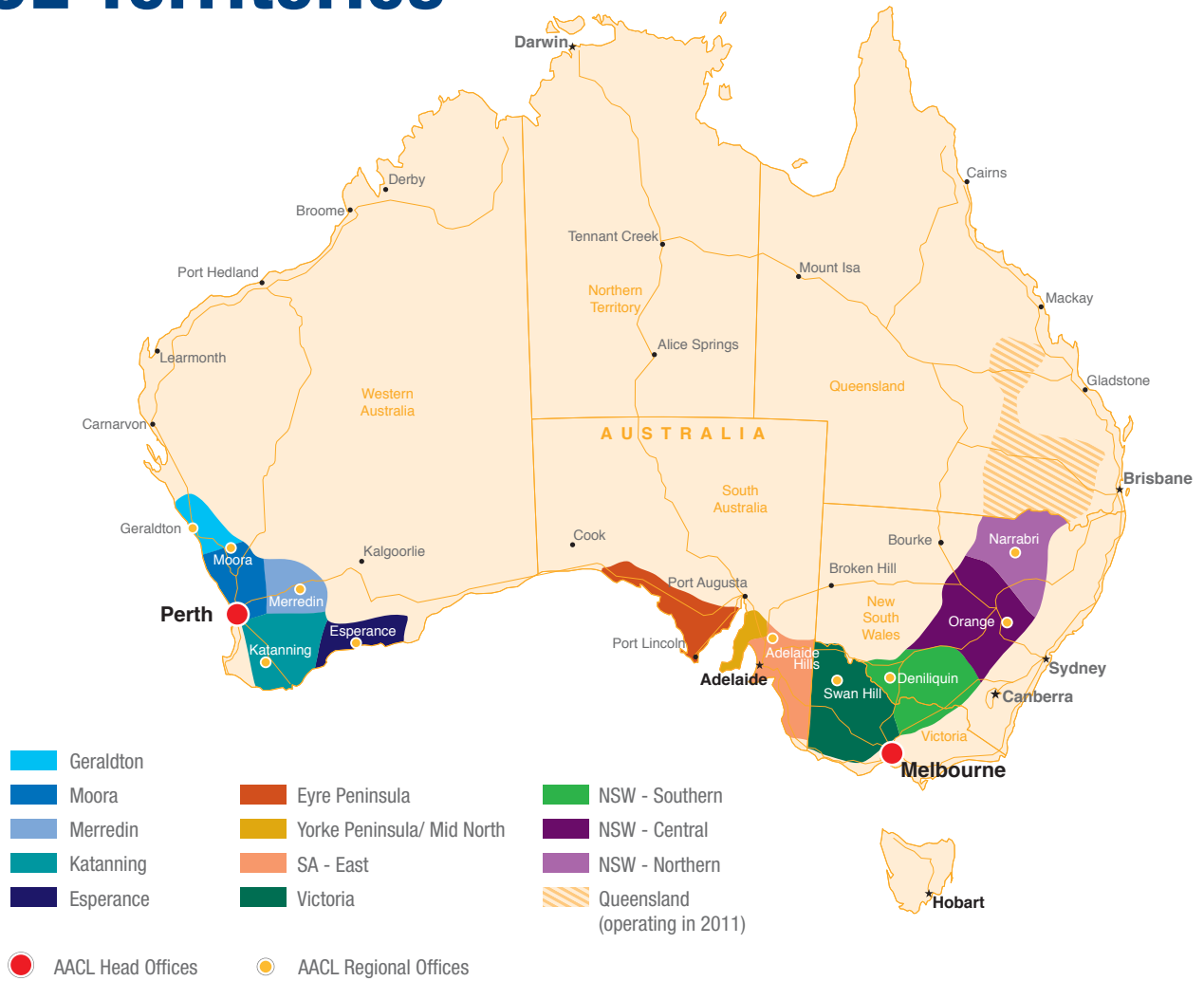
## Broadacre Investment Fund (Land Fund)

AACL has been developing an agricultural land fund designed to:

- Give investors access to a stable, long term investment in agricultural land managed by professional farmers.
- Align interests of investors and the farm lessees.
- Assist farmers to free up some of the capital tied up in their land.
- Enable farmers to expand their enterprises by accessing long term leases (15 years).
- Enable farmers to share in the capital growth of the leased land.

Negotiations to develop the fund are at various stages with both farmers and investors.

# AACL Territories



## GRAIN CO-PRODUCTION TIMELINE

- 1997: AACL is founded.
- 1999: First trial GCP contract completed.
- 2005: First public GCP offering  
Wheat 20,000 T's (WA).
- 2006: Wheat 92,000 T's (WA).
- 2007: Wheat 215,000 T's (WA)  
Barley 1,600 T's (WA).
- 2008: Wheat 300,000 T's (National)  
Barley 20,000 T's (WA & SA only)  
Carbon Conscious Listed on ASX.
- 2009: Wheat 420,000 T's\*  
Barley 40,000 T's\*  
Canola 20,000 T's (WA)\*

\*estimated figures.

Since 2004 AACL has experienced rapid growth of its corner stone product, Grain Co-Production. The majority of the growth has occurred in WA and for wheat production. In 2008 AACL offered Grain Co-Production to select farmers in NSW, VIC and SA and also offered a barley contract for the first time. In 2009 AACL expanded its product offering to now include canola to farmers in WA.

The total investment by AACL in 2009 was \$90 million, contracting 240 farmer clients to grow approximately 480,000 tonnes of wheat, barley and canola.

