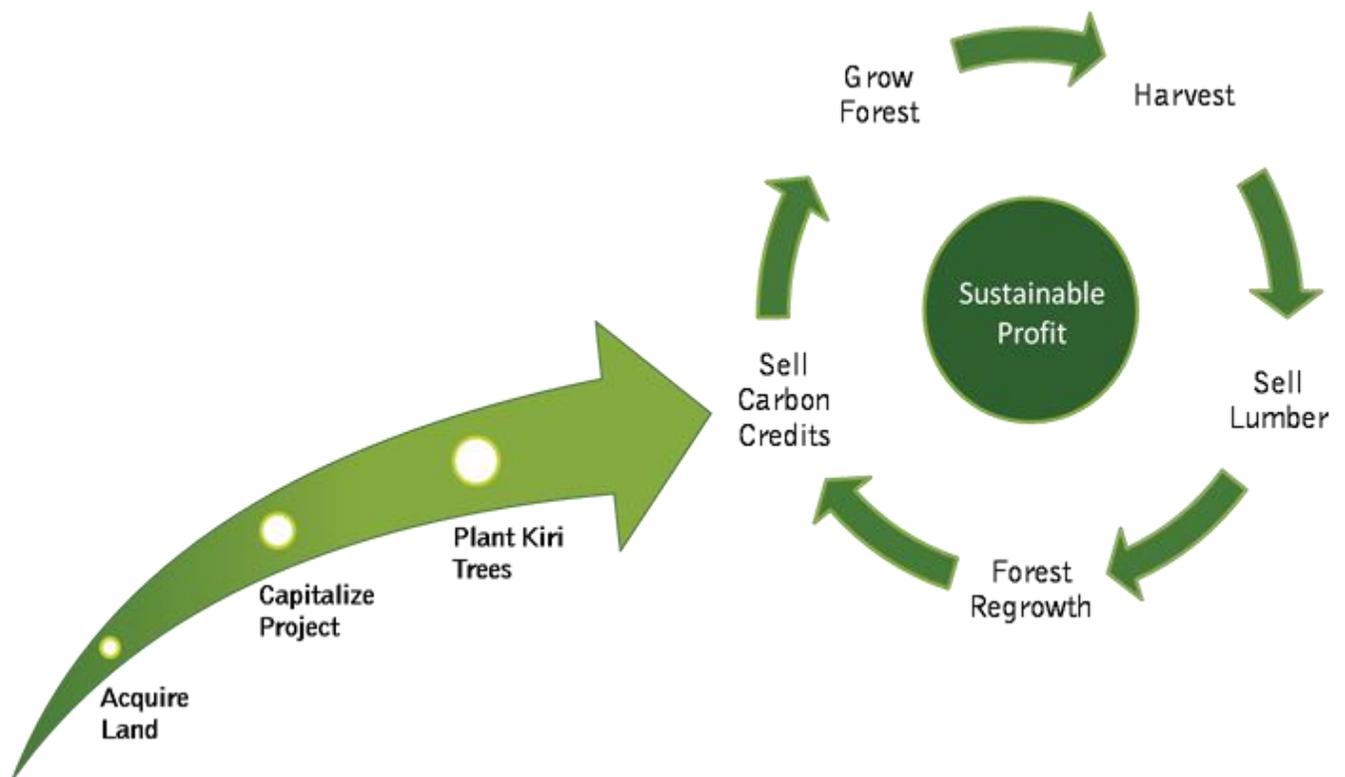




ECO2 International Forestry Plan Model

ECO2 employs a modular approach to the design of its forests. This ensures consistent supply of products to the markets and consistent returns to the company. All our forests are grown in modules ensuring only sections of a forest are harvested during any harvest period. This enables the Forestry Plan Model to always have all stages in motion and provide greater balance to the model.

The ECO2 model is simple. It applies to the process of acquiring land, capitalizing the land and forests while planting the right trees in accordance with the Forestry Plan. Once the Forest has been established, it enters a cycle whereby carbon credits are sold, usually shortly after planting. Then a process of managed growth to maturity and harvesting of the lumber completes the cycle. Because of the ability of the Kiri Tree to regenerate from the harvested stump, the process then starts all over again, creating a sustainable growth cycle.



Acquire Land - At ECO2 we are actively sourcing suitable forestry land from 1,000 acres to over 100,000 acres to enable us to create our Kiri Forests. Ideal Conditions and requirements for growing our forests are:

- Well drained “Sandy Loam Soil”
- Rainfall per annum - Needs 48” (120cm) – 60” (150cm)
- PH level between 5.5 – 7.5
- Clay Table deeper than 60cm (2 feet)
- Water table below 1.5mt (5 feet) in “Wet Season”
- Between 10 and 40 degrees North and South Latitude

Upon verifying the land is suitable for an ECO2 Forestry Plan project, the project is given a full feasibility and costings study including verification that the potential project will meet the E4 Sustainable Principles.

Capitalize Project – Projects meeting all set criteria are then capitalized. Capitalizing the project is often beginning during the acquisition of land, particularly in Profit Share Land Partnership situations. Investors are also able to invest directly into a specific project. Detailed analysis with allocation of funds for the operation of the project is also conducted at this stage. Depending on the location of the land, infrastructure may need to be implemented as a host of other requirements including housing and amenities for those working on the project and recruitment of staff.

Plant Trees - Depending on the type of land acquired, ECO2 will implement one of their planting matrix systems to ensure maximum growth of the forest for carbon sequestration and lumber. The planting matrix determines the width the Kiri Trees are planted apart from each other and the number of trees planted per acre. This allows for high density yields and maximizes the potential of each individual forest, based on the specific characteristics of that land. Land is prepared in readiness for planting the forests.

Once planted, staff continue to work on the site as they move immediately from planting stage into the maintenance stage

Sell Carbon Credits – Once planting is completed, ECO2 sells the carbon credits created through carbon sequestration. Mature trees in their first cycle produce 1.8 carbon credits per tree. Each project is certified and produces verifiable carbon credits.

As an example, a 15,000-acre project will produce 8 million carbon credits per cycle.

Grow Forest – A team of workers are always onsite conducting growth and maintenance programs to ensure the project meets projected carbon sequestration levels and timber yields. The project at all times is also monitored to ensure it meets and remains in accordance with the E4 Sustainable Principles. Depending on the size and type of planting matrix adopted, this could involve hundreds of staff.

Harvest - Harvest of mature Kiri Trees generally takes place after 7 growing seasons. The trees are seen below knee height and are transported to an onsite milling station. A new tree grows from the stump, once again absorbing CO₂, earning carbon credits, and expelling fresh oxygen back into the atmosphere. Air drying takes as little as 30 days, and boards can be kiln dried in as little as 24 hours with no warping. Due to its light weight, the transportation of timber can be more cost effective than other harvested timber products.

All on-site vehicles and machinery used in the Forestry Plan projects, including harvesting, adopt minimize carbon emissions reduction technology including the use of biofuels.

Sell Lumber – Lumber is sold to clients and prepared on site to meet specific specifications. Modern milling technology allows ECO2 to deliver timber to set dimensions anywhere around the globe. The Forestry Plan timber inventory management system allows ECO2 to allocate timber to clients from the closest ECO2 project, minimizing carbon emissions and costs from transportation.

Regrowth – One of the most unique characteristics of the Kiri Tree is its ability to regenerate from the stump after harvesting. The Kiri Tree grows again with the aid of a substantial root system already in existence. The process of the Forestry Plan then repeats itself in a cycle as carbon credits can again be sold as the forest grows.

Each Forestry Plan project is expected to be in this sustainable pattern for over 50 years, producing up to 7 harvests and 7 generations of carbon credits.

The Forestry Plan provides a simple formula for the generation of company returns.

