



CO2 Off-SET

The reason for rising temperatures - or global warming - is that each of us contributes to climate change through our daily activities - whether it's driving, working, watching TV, shopping or flying to a foreign holiday or going on a business trip. Almost everything we do will affect our carbon dioxide (CO₂) emissions. Your Carbon Footprint represents the amount of CO₂ you produce each year. The lower your Carbon Footprint, the smaller your contribution to climate change.

Oxigen Estates has been working to develop the best way for forestry investors to benefit from future "carbon credit" revenues. Under the Kyoto agreement, *existing* forestry doesn't qualify to be traded for carbon credits. However *newly-created* plantations do, and Oxigen is applying to get all its plantations recognised under the Kyoto agreement or whatever takes its place in future. Oxigen, in conjunction with Enviro2 and the Board of Investment in Sri Lanka, is planning to launch the Asia Carbon Exchange in early 2009. This will be an officially regulated trading platform for carbon credits trading. It will be located in The World Trade Centre, Colombo, home to the Sri Lanka stock exchange.

As Oxigen Estates (Pvt) Ltd will be operating the exchange as a joint venture we will be able to give our clients direct access to trade their carbon credits on the global markets and achieve maximum returns. This year alone the carbon credit market has been estimated at \$60 billion and is set to increase.

Figures for carbon credit values from forestry vary as does the current price for carbon credit units, but it's fair to say that a hundred teak trees aged four-years upwards could produce up to 19 cubic tonnes of carbon offsets. An average UK family of four produces 18 cubic tonnes of carbon emissions, so a basic £10,000 investment (300 trees plus maintenance) in teak could offset the average UK family's carbon footprint whilst leaving the remaining 200 trees' carbon credit values intact to trade on the global markets.

This could - and we emphasise could - be worth around £8 to £10 pounds per cubic tonne annually which could produce an additional annual revenue of £100 per every 100 trees planted.