



**COMPANY BRIEF, JULY 2010**

## VISION

To be an ethical company delivering positive results for the environment, economy, employment and education of all stakeholders within our communities and around the world.

## MISSION

To create shareholder value by delivering positive environmental and economical impact through the establishment of new forests and the preservation of old forests for large scale sequestration of carbon dioxide and the production of sustainable lumber.



# LETTER FROM THE FOUNDER



Welcome to ECO2 Forests,

ECO2 Forests was created to deliver large scale sustainable, lumber-producing forests and the preservation of old growth forests through an innovative E<sup>4</sup> Philosophy – embracing positive Environmental impact and delivering Economic returns, while fostering Employment and Education.

A publicly listed company, ECO2 Forests trades under the US Stock Symbol ECOF. With offices in Boulder, Colorado and Queensland, Australia the company has been structured specifically to be positioned for global growth and support.



ECO2 Forests' Global Forestry Plan calls for the creation of thousands of acres of new forests to be planted and maintained around the world to generate sustainable lumber, and combined with the preservation of old forests, to generate carbon credits and profits for ECO2 Forests and its investors. Creating jobs and educating local communities are among the key social benefits of our sustainable forestry projects.

The main tree selected for our new forests is the Kiri Tree. The Kiri Tree has been known as one of the highest carbon sequestering trees in the world and has a much faster growth-to-harvest cycle than competing tree types currently used in worldwide forestry. These attributes allow ECO2 Forests to generate several high yield harvest cycles in the same time span that competing forestry companies can complete only one, while concurrently generating significant yields of carbon credits. The Kiri Tree naturally regrows after every harvest, avoiding the continual need for replanting.

The business model of the Global Forestry Plan is designed to position the company to take advantage of the rapidly growing demand for renewable forest lumber, reforestation and the burgeoning carbon market providing strong forecast revenues for many years to come.

ECO2 Forests intends to generate significant profit from the sale of lumber and carbon credits to deliver shareholder value for investors in the company and company project partners. With a strong and growing market for both Kiri Tree lumber and carbon credits, combined with our tools, technology and know-how we feel confident in delivering our forecast revenues.

ECO2 Forests has recently completed arrangements for two large scale forestation projects. The first is located in the South Pacific country of Vanuatu on the island of Malakula, while the second is in Nevada, USA. Each project has projected revenue in excess of \$1.5 billion for each 7-year harvest cycle.

The company is currently reviewing over 1.5 million acres made up of more than 40 projects spanning 15 countries with new project interest being received every week.

The current and planned projects will provide hundreds of jobs and inject millions of dollars into the local economies through environmentally and economically sound projects with long-term benefits for the local community and our shareholders. We look forward to you joining us and sharing in our future success.

Kind Regards,

*Martin Tindall*

Martin Tindall  
Founder, ECO2 Forests Inc.



# TABLE OF CONTENTS



VISION AND MISSION STATEMENT.....	2
LETTER FROM THE CEO.....	3
GLOBAL FORESTRY PLAN .....	6
GLOBAL FORESTRY PLAN: KIRI.....	7
GLOBAL FORESTRY PLAN: SUSTAINABLE MODEL.....	8
GLOBAL FORESTRY PLAN: 1,000 ACRE FORECAST .....	9
GLOBAL FORESTRY PLAN: 10 YEAR REVENUE GRAPH.....	10
GLOBAL FORESTRY PLAN: PROJECT PIPELINE.....	11
PROJECTS IN THE PIPELINE .....	12
PROJECTS IN THE PIPELINE - LOCATION .....	13
CURRENT PROJECT: WASHOE COUNTY, US.....	14
CURRENT PROJECT: MALAKULA, VANUATU .....	15
PRODUCTS:.....	16
PRODUCTS: LUMBER .....	17
PRODUCTS: CARBON .....	17
PRODUCTS: PROJECT PARTNERSHIP .....	18
PRODUCTS: INVESTMENT .....	19
MARKETS: LUMBER .....	20
MARKETS: CARBON .....	21
DIRECTORS.....	22
E4 PHILOSOPHY.....	23
CONTACT.....	24
RISK STATEMENT.....	26

The Global Forestry Plan is the detailed and specific plan developed by ECO2 Forests for the managed approach to creating a network of new and preservation of old forests in locations around the world. The goal is to deliver large scale forestation projects with a positive environmental and economic impact.

The plan enables all forests and potential forests under review in the Company project pipeline to meet our E<sup>4</sup> Philosophy, our own standards developed to ensure our corporate responsibilities and triple bottom line accountability is met.

The result of these forests is large scale sequestration (absorption) of carbon dioxide green house gas

(CO<sub>2</sub>) emissions which create carbon credits and the supply of renewable lumber. The plan is to be implemented by the Company through a growing number of projects to create a truly global forest network for the betterment of investors and the environment.

The detail of the Global Forestry Plan, new forest strategy is the 'blueprint' to successfully produce a hardy and sustainable forest of fast maturing trees and ensures that all forests maximize economic and environmental benefits.

ECO2 Forests', with its global focus benefits by being positioned to take advantage of opportunities as they arise, regardless of the location. This focus on

geographically large plantations positions ECO2 Forests the access to large reserves of lumber and the ability to harvest and meet demand all year round.

ECO2 Forests generates additional competitive advantage as an early mover in the Global Carbon Trading Market. This enables it to make its name as a provider and to secure market share ahead of later entrants.

The Global Forestry Plan allows for reforestation, afforestation and avoided deforestation projects, ensuring true and positive outcomes are achieved throughout the worldwide network of forests.

## REFORESTATION, AFFORESTATION, AVOIDED DEFORESTATION:

### WHAT IS THE DIFFERENCE?



Reforestation projects replace land that has been logged unsustainably, or cleared for agricultural purposes that has led to land degradation, with new forests.

Afforestation projects grow new forests on land that has previously not been a forest, often saving the need to log existing old growth forests and rainforests.

Revenue streams for both reforestation and afforestation are intended to be generated from the sale of sustainable lumber and carbon credits derived from these forest plantations.

Avoided Deforestation projects under the Global Forestry Plan protect and preserve the land and forest from land use pressure such as unsustainable logging practices and poorly managed agricultural purposes.

Revenue streams are intended to be generated from the sale of carbon credits derived from these old growth forests and provide a sustainable employment avenue for local communities.

The Kiri Tree range was selected as the primary tree species for the Global Forestry Plan. Selected for its fast growth and superior CO<sub>2</sub> sequestration, the Kiri Trees are part of the Paulownia family and originate from Japan and China. ECO2 Forests uses a variety of Kiri Tree and Paulownia sub-species to enable the company to deliver forestation projects across a wide variety of regions and climatic conditions.

Our tree consulting team have dealt with many of the strains for more than 20 years and have identified and selected superior plant stock through lineal selection.

In new project countries, target strains will be selected and further lineal selection will take place to ensure high quality plant stocks applicable to local conditions.

Extremely light weight yet very strong, pest and disease resistant, the light colored lumber produced from the Kiri Tree make it the ideal sustainable alternative to most forestry projects.

The Kiri Tree is capable of growing up to 20 feet (6 meters) in the first growing season. The leaves on a tree can grow up to 3 feet (1 meter) wide, absorbing up to ten times as much CO<sub>2</sub> as other trees.

After 3-5 years, the Kiri Tree reaches up to 65 feet (20 meters) and at 7 years has thickened and reached a maturity suitable for harvest.

At harvest, a 7 year old Kiri Tree will yield up to 260 board feet (.6 m<sup>3</sup>) and typically sequester 2.5-2.7 metric tons of CO<sub>2</sub>, creating 2.5-2.7 carbon credits.

Post harvest, the tree naturally regrows from the stump and the sustainable 7-year cycle of the Kiri Tree begins again.

## IDEAL GROWING CONDITIONS

- Global Land Location - Latitude 40<sup>o</sup> to -40<sup>o</sup>
- Altitude up to 7500 feet (2500 meters)
- Well Drained Sandy Loam Soil
- Annual rainfall or irrigation equivalent of 48" - 60" (120cm - 150cm)
- PH Level Between 5.5 – 7.5
- Clay Table Deeper Than 2 feet (60cm)
- Water Table Below 5 feet (1.5meters) in "Wet Season"

## KIRI TREE FACTS:

- Deciduous Hardwood tree
- Rapid growing
- Typical 7 year harvest cycles
- Regenerates numerous times post harvest from the stump
- One of the highest carbon sequestering trees on earth
- Rapidly removes damaging minerals from the soil and has a high tolerance for adverse conditions
- Resistant to rot and insects
- Easily worked and or stained
- Lumber is Fire Resistant
- High strength to weight ratio
- Minimal splitting or warping

## KIRI LUMBER USES

- High quality veneer
- Venetian blinds
- Shutters
- Caravan, boat building
- Exposed/Outdoor areas for shingles, external doors, window frames
- Furniture
- Cabinetry
- Plywood
- Coffins
- Surfboards
- Bio Fuel feedstock

# NEW FOREST SUSTAINABILITY MODEL



## PROJECT EXECUTION

### Secure Land

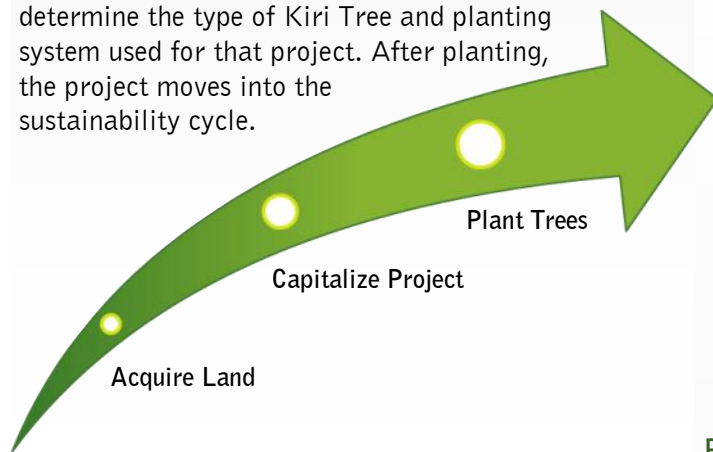
ECO2 Forests actively source and secure suitable forestry land from 1,000 acres to over 100,000 acres for projects in the Global Forestry Plan.

### Capitalize Project

Capitalization of the project often begins during the acquisition of land, particularly in Project Partnerships. Investors can also invest directly into a specific project.

### Plant Trees

The type of land secured and climatic conditions determine the type of Kiri Tree and planting system used for that project. After planting, the project moves into the sustainability cycle.



## PROJECT SUSTAINABILITY CYCLE

### Sell Carbon Credits

Once planting is completed, ECO2 Forests intend to sell carbon credits created through carbon sequestration over each harvest period. Mature Kiri Trees typically deliver up to 2.5 carbon credits per harvest cycle.

### Grow Forest

A team of workers are onsite at all times conducting growth and maintenance programs to ensure the project meets targets and yields while maintaining a high level of lumber quality through active management.

### Harvest

Harvest of mature Kiri Trees generally takes place after the 7th growing season with localized milling operations forming part of the Global Forestry Plan.

### Sell Lumber

Lumber is intended to sold or pre-sold and prepared on site to meet specific specifications. Modern milling and distribution technologies position ECO2 Forests to deliver lumber of any dimension globally.

### Regrowth

One of the most unique characteristics of the Kiri Tree is its ability to regenerate from the stump after harvest. The Kiri Tree grows again with the aid of a substantial root system already established. The Global Forestry Plan cycle then repeats its sustainable pattern for up 50 years, producing up to 7 harvests.

# 1,000 ACRE FOREST FORECAST



ECO2 Forests New Forest Model has been designed from the ground up in 1,000 acre modules. These modules have been designed to provide a replication model to deliver expected and foreseeable results from each forest.

The sustainability of the Global Forestry Plan outlined on the previous page has been designed to generate significant revenue. This strategy enables a revenue model that combines short term carbon revenue with long term lumber revenue returns to produce a strong forecast financial model.

The implementation of modules in a progressive format gives each forest a platform for managing growth, revenue and profit potential. Table 1 demonstrates lumber and carbon credit revenue and expenditure from a 1,000 acre new forest model over a single target harvest cycle of 7 years.

**Table 1: Revenue and Expenditure Forecast for 1,000 acre Global Forestry Plan Project**

	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>REVENUE</b>								
Carbon Revenue	-	\$4,600,000	-	-	-	-	-	-
4th Year Thinning Harvest	-	-	-	-	\$29,396,000	-	-	-
7th Year Harvest	-	-	-	-	-	-	-	\$86,250,000
<b>Total Revenue</b>	<b>\$120,246,000</b>	<b>\$4,600,000</b>	<b>-</b>	<b>-</b>	<b>\$29,396,000</b>	<b>-</b>	<b>-</b>	<b>\$86,250,000</b>
<b>EXPENDITURE</b>								
Forest Project Establishment	-	\$1,500,000	-	-	-	-	-	-
Mill and Milling	-	-	-	-	\$5,000,000	-	-	\$7,187,000
Forest Maintenance	-	\$1,319,000	\$798,000	\$817,000	\$836,000	\$906,000	\$878,000	\$950,000
<b>Total Expenditure</b>	<b>\$20,191,000</b>	<b>\$2,819,000</b>	<b>\$798,000</b>	<b>\$817,000</b>	<b>\$5,836,000</b>	<b>\$906,000</b>	<b>\$878,000</b>	<b>\$8,137,000</b>
<b>PROFIT</b>								
Annual Position	\$100,055,000	\$1,781,000	\$798,000	\$817,000	\$23,560,000	\$906,000	\$878,000	\$78,113,000
<b>Cumulative Profit</b>	<b>\$100,055,000</b>	<b>\$1,781,000</b>	<b>\$983,000</b>	<b>\$166,000</b>	<b>\$23,726,000</b>	<b>\$22,820,000</b>	<b>\$21,942,000</b>	<b>\$100,055,000</b>

*N.B. Figures are projected and based on standard formulas used to evaluate Global Forestry Plan new forest projects*



# 10 YEAR REVENUE GRAPH



ECO2 Forests, through the implementation of 1,000 acre forest modules, positions the company to leverage a step and repeat, incrementally increasing revenue model.

As with all Global Forestry Plan projects, planting is divided over 7 consecutive planting seasons to deliver an annual lumber and carbon credit supply for the duration of the project.

The graph represents a 7,000 acre forests with 1,000 acres planted for each of the first 7 planting seasons.

Revenue generated from each ECO2 Forests project is forecast to deliver long-term profit and shareholder value.

Based on the 1,000 acre forecast model (Table 1), Graph 1 below indicates the ongoing revenue generated from a 7,000 acre forest consisting of 7 x 1,000 acre modules.

### KEY HIGHLIGHTS:

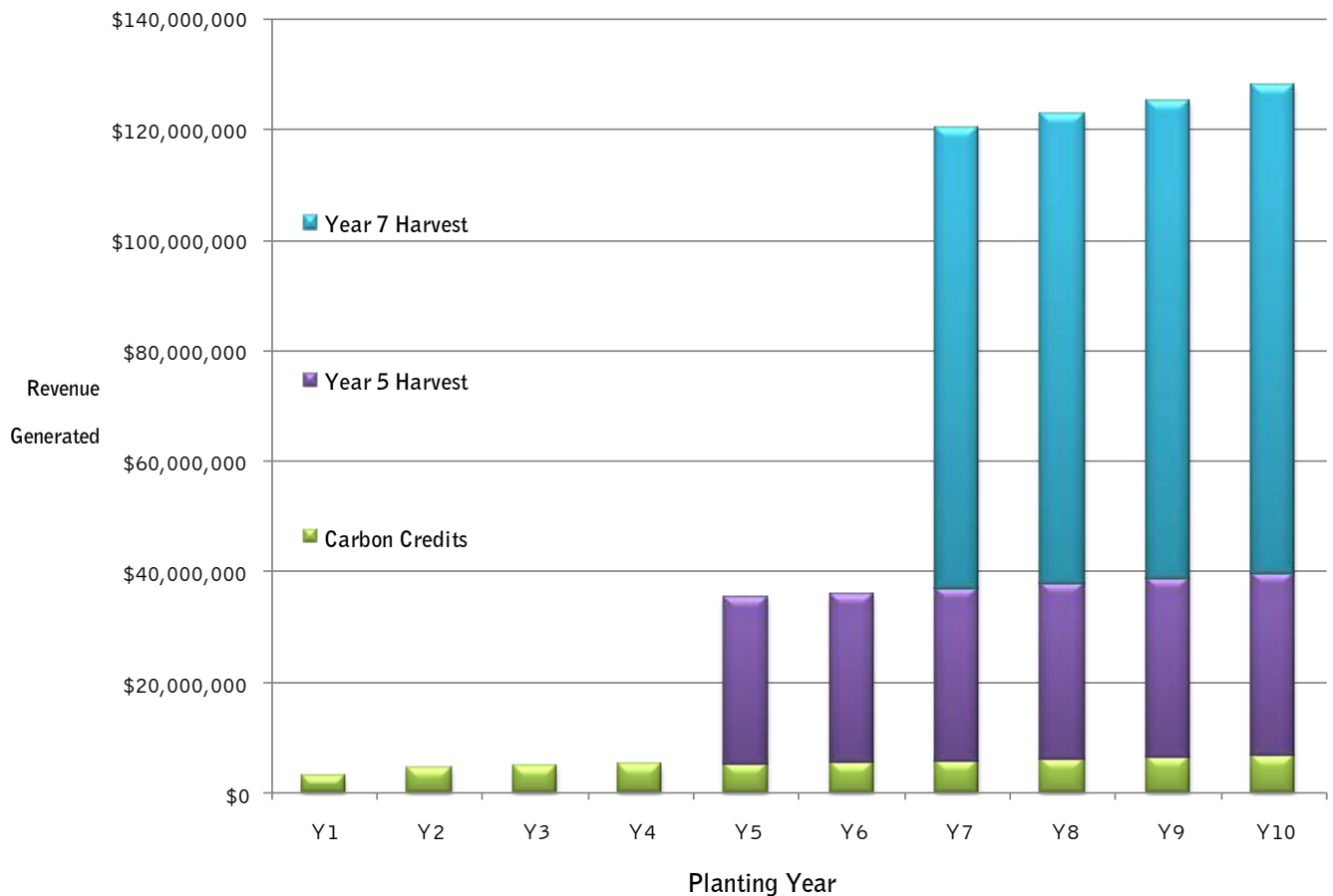
*1: Carbon Credit revenue is forecast to begin in Year 1 at an estimated annual revenue of \$7 million*

*2: Lumber harvested after 5 years is forecast to consistently return \$30 million in revenue from Year 5.*

*3: Lumber harvested after 7 Years is forecast to generate an annual revenue of \$90 million.*

*4: Total revenue generated from this 7,000 acre Kiri Forest example is forecast to exceed \$120 million annually.*

Graph 1: Forecast Revenue Generation from a 7,000 acre forest



*Forecast revenue following Y10 is projected to remain within 1-2% of that year through to project completion. Projects are forecast to operate for up to 50 years,, before replanting is required.*

# PROJECT PRODUCTION PIPELINE



ECO2 Forests Project Production Pipeline has been designed to effectively manage new project inquiries through to project mobilization. From landholders, investors and internally identified potential land parcels (minimum 1,000 acres) each receive the necessary due-diligence to evaluate their potential to become an operating forest. A total of 1.5 million acres of projects are currently in various stages of the project Pipeline. The process is outlined below.

**Inquiries:** Inbound project inquiries, website inquiries and company targeted potential projects.

**1: Assessment:** Projects are evaluated and prioritized based on set Company criteria to ensure Projects meet ECO2 Forests targets and objectives.

**2: Commitment:** Projects passing assessment are secured with a Heads of Agreement (HOA) for a potential Global Forestry Plan project. This clearly identifies project profit sharing and land terms.

**3: Analyze:** Full project analysis and project plan are completed. Capitalization requirements and resource management is clearly identified to allow the project to move to funding stage.

**4: Capitalize:** Via various methods of equity, debt or partnership financing, ECO2 Forests seek to obtain the necessary capital to develop and implement the project. *(see Investment Products).*

**5: Mobilize:** Capitalized projects become part of the Global Forestry Plan. Final land and funding contracts are signed between parties and move from the pipeline and become a live project.

**Sustainable Project:** Projects, once mobilized, enter the sustainable management cycle.



# PROJECTS IN THE PIPELINE



ECO2 Forests currently has over 1.5 million acres of projects across 15 countries in various stages of the Project Production Pipeline.

All project types - reforestation, afforestation and avoided deforestation, are represented in the pipeline.

Table 2 below identifies the countries that have project(s) in the Assessment stage of the Project Production Pipeline, the type of project(s) and total acreage for each country. Breakdowns of individual projects within the Project Pipeline for each country are not identified due to confidentiality agreements.

**Table 2: Projects currently in the Project Production Pipeline**

Map No.	COUNTRY	FOREST PROJECT TYPE	ACRES
1	Australia	Afforestation	320,000
2	Brazil	Avoided Deforestation	93,000
3	Colombia	Reforestation	2,600
4	Cote d'Ivoire	Reforestation	6,500
5	Democratic Republic of Congo	Reforestation	150,000
	Democratic Republic of Congo	Avoided Deforestation	100,000
6	Indonesia	Reforestation	35,000
	Indonesia	Avoided Deforestation	100,000
7	Italy	Afforestation	20,000
8	Kenya	Reforestation	20,000
9	Laos	Reforestation	12,300
10	Mexico	Avoided Deforestation	25,000
11	Sierra Leone	Reforestation	75,000
12	Slovenia	Afforestation	50,000
13	USA	Afforestation/Deforestation	15,000
	USA	Afforestation	514,250
14	Vanuatu	Reforestation	20,000
15	Vietnam	Reforestation	1,000
<b>Total acreage in the Project Pipeline</b>			<b>1,559,650</b>

*If you are the owner of a property which may be suitable for the establishment of a Kiri Tree plantation or preservation of old growth forest please see the Project Partnership section on page 18.*

# PROJECTS IN THE PIPELINE - LOCATION

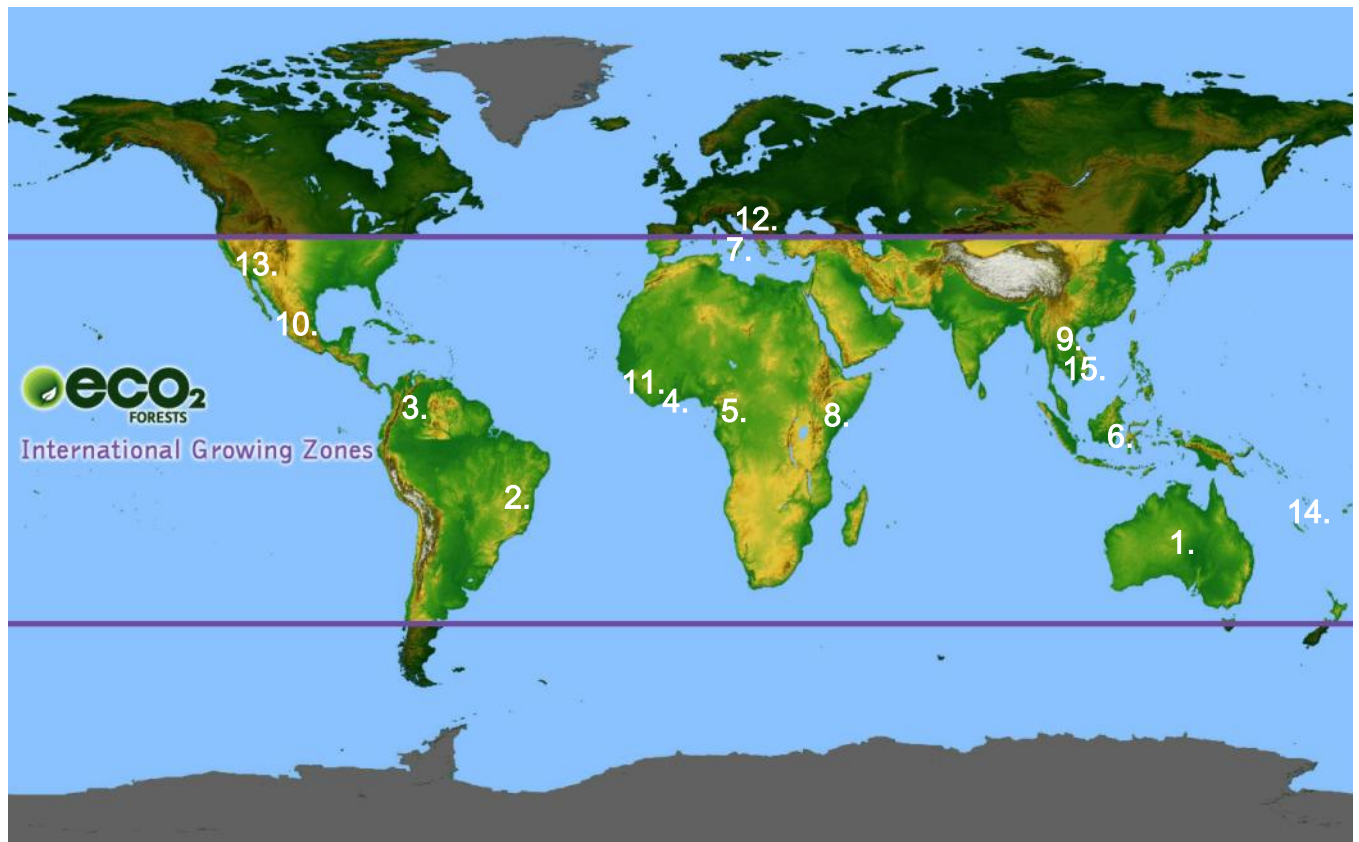


The map below correlates the Table 2 Map No. with the location of the country on the map.

The map clearly identifies the broad range of locations within the Project Production Pipeline.

A fundamental part of the Global Forestry Plan works on creating a network of forests in a variety of locations around the world to ensure lumber supply meets demand for a wide variety of global locations.

The ability to apply an individual project type or a mix of projects allows ECO2 Forests to implement the best strategy in all locations around the world.



# CURRENT PROJECT: WASHOE COUNTY, US



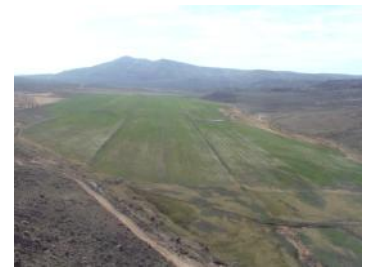
ECO2 Forests is in the process of establishing a 14,000 acre US Sustainable Forest Program in Washoe County, Nevada USA. The project is the first of its kind in the US.

Smoke Creek will be the first of seven 2,000 acre projects delivered.

Following the establishment of a nursery in the vicinity of Smoke

Creek to provide nursery stock for the entire Washoe County Program, ECO2 Forests intends to commence the planting for the Smoke Creek project in 2011. The following six projects/plantations will be distributed over the greater Washoe County area and each established as a stand alone entity for Project Investment. All projects in the Program will work collaboratively to maximize economies of scale.

Due to the specific regenerative nature of the Kiri Tree to be planted, and their ability to regrow from the stump after harvest, the project is planned to endure for approximately 50 years and could then be extended again by replanting.



## FULL PROGRAM DETAILS FOR EACH 7-YEAR CYCLE - 14,000 ACRES

### Forecast Project Metrics (approx.)

- 3 million Kiri Trees planted
- 560 million board feet (1.3 million m<sup>3</sup>)
- \$1.49 billion in sales of sustainable lumber
- 6.5 million tons of CO<sub>2</sub> absorbed from the atmosphere
- 6.5 million carbon credits generated
- \$84 million carbon credit sales



Total projected revenue per full 7-year cycle **\$1.5 billion**

Annual Program projected revenue: **\$225 million**

Project Duration: **50 years**

The project will provide direct employment to approximately 250 workers in the first year of forest operations increasing up to 600 during the project life cycle and with ECO2's local purchasing policies will indirectly inject millions of dollars into the local community.

# CURRENT PROJECT: MALAKULA, VANUATU



ECO2 Forests has contracted for acquisition 20,000 acres of land on the island of Malakula, Vanuatu. The project is located at Espeigle Bay and is intended to see approximately 15,000 acres reforested. Government approvals together with Import Permits have been received with plans for the Nursery to be mobilized in 2010.

The project will be separated into 7 planting modules, of approximately 2,140 acres. Module One is intended to be prepared

concurrently with the Nursery in 2010 and planted in 2011, and then an additional module each succeeding year. This allows a harvest cycle to occur every year once the full forest has been planted after seven years.

In 2010, the Nursery is intended to be established to propagate and grow enough root stock to be able to plant 500,000 Kiri Trees per year. Integrated into the Nursery ECO2 Forests plans to create a training facility to teach, educate

and employ the local staff with the necessary skills to support the Project.

Due to the specific regenerative nature of the Kiri Tree, and their ability to re-grow from the stump after harvest, replanting will not be needed for the duration of the project. Project Investment is available for this project and is anticipated to operate for approximately 50 years.



## FULL PROGRAM DETAILS FOR EACH 7-YEAR CYCLE - 15,000 ACRES

### Forecast Project Metrics (approx.)

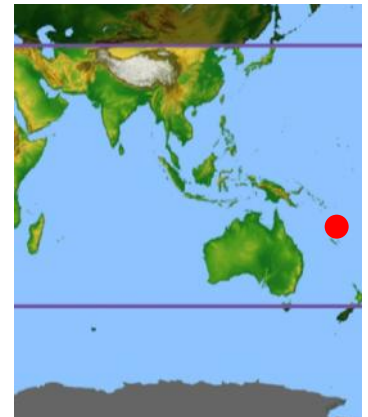
- 3.3 million Kiri Trees planted
- 600 million board feet (1.3 million m<sup>3</sup>)
- \$1.51 billion in sales of sustainable lumber
- 7 million tons of CO2 absorbed from the atmosphere
- 7 million carbon credits generated
- \$90 million carbon credit sales

Total projected revenue per full 7-year cycle **\$1.6 billion**

Annual Program projected revenue: **\$240 million**

Project Duration: **75 years**

The project will provide direct employment to approximately 300 workers in the first year of forest operations, increasing up to 1,000 in the project life cycle and develop significant levels of infrastructure to the remote location.



# PRODUCTS



ECO2 Forests main product lines are carbon credits and sustainable lumber produced from its forest operations as well as project partnerships and investment opportunities.



## LUMBER

The unique properties of the Kiri Tree offer a lumber with unique and marketable properties that has applications in many different product types. Harvest cycles of 7 years, and the ability of the tree to regrow from the harvested stump, assures a low cost sustainable regeneration of new lumber.



## CARBON

Carbon dioxide (CO<sub>2</sub>) is emitted into the atmosphere from human induced activities. The Kiri Tree is known to be among the highest carbon absorbing trees in the world. Each Kiri Tree generates approximately to 2.5 carbon credits every 7 year cycle. Carbon credits are intended to be sold and traded on global markets.



## PROJECT PARTNERSHIP

ECO2 Forests offers landholders the opportunity to achieve significant returns from their land and invest in the project developed on their land. Profit share is the most common return on investment with land type and size, investment level key determinants in the level of return. Landholders have the option of being passive or active in the project.



## INVESTMENT

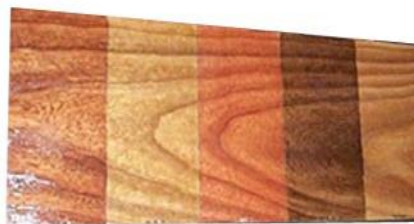
ECO2 Forests offers an investment for individual and institutional investment that has significant benefit for the environment as well as a sustainable long-term outlook. It is intended to provide investors with an opportunity to invest through purchasing publicly traded shares on the market, invest in Company share offers (Private Placement Memorandum, PPM) or directly into a specific project. Landholders can also directly invest in their project to increase their returns.

# PRODUCTS: LUMBER



Kiri Tree lumber is a lightweight hardwood with a beautiful grain and high strength to weight ratio. The lumber is a good thermal insulator and is resistant to splitting and warping. This remarkable combination of qualities has resulted in the use of Kiri Tree lumber for a wide range of purposes, such as:

- Veneer markets
- Furniture and cabinet making
- Interior and exterior building supplies – roofing, doors, window frames, ceilings
- Plywood and particleboard
- Lightweight and strong paneling and folding partitions
- Musical Instruments
- Pulp
- Poles and fencing
- Pallets, boxes, and crates
- Molding and picture frames
- Packing material



# PRODUCTS: CARBON

The principal aim of carbon credits is to place a monetary value on the cost of polluting the air. Various frameworks are being discussed and implemented in countries and states across the world. A unified framework has also been widely discussed within the United Nations summits.

Carbon credits are measured in metric tons of CO<sub>2</sub>. Placing a value on carbon aims to prevent it from

being emitted in the first instance or to make its removal from the atmosphere financially viable.

ECO2 Forests is actively targeting the removal of CO<sub>2</sub> from the atmosphere by using the unique properties of its Kiri Tree, which ECO2 Forests then sell.

Individuals can use credits to reduce their carbon footprint as can businesses, while those who

have government imposed guidelines can also purchase credits to offset their carbon emissions.

Carbon credits are widely expected to become one of the largest markets on the planet (*See Markets: Carbon*).



# PRODUCTS: PROJECT PARTNERSHIP



ECO2 Forests Inc. provides land owners with the opportunity to develop their land into a commercially viable and renewable reforestation project. Land owners have a number of options, each of which provides various returns on investment.

Land Owner options in a Project Partnership:

- Provide land only
- Provide land and a percentage of the startup capital
- Provide land and all startup capital

The return on investment is dependent on the land size and suitability as well as the level on capital invested.

As such, ECO2 Forests is interested in Project Partnerships with land owners with suitable land in excess of 1,000 acres. Suitable land for the establishment of a Global Forestry Plan project will need to meet many or all of the following attributes.

- Global Land Location - Latitude 40° to -40°
- Altitude up to 7500 feet (2500 meters)
- Well Drained Sandy Loam Soil
- Combination of Rainfall and/or Irrigation required per Annum - 48" (120cm) – 60" (150cm).
- PH Level Between 5.5 – 7.5
- Clay Table Deeper Than 2 feet (60cm)
- Water Table Below 5 feet (1.5meters) in "Wet Season"

If you are the owner of land which may be suitable for the establishment of a Kiri Tree plantation and you are interested in a project partnership arrangement, please contact ECO2 Forests or register your interest through the Investor portal on our website, [www.eco2forests.com/invest.html](http://www.eco2forests.com/invest.html). One of our staff will contact you for confidential discussions in relation to your land.



## Project Partnerships:

Turning land  
into

Sustainable Forests



*Please note: Suitability criteria apply*

# PRODUCTS: INVESTMENTS



As a US publicly listed Company ECO2 Forests trades under the US Stock Symbol ECOF. ECO2 Forests has a range of investment opportunities to purchase ECOF shares and other investment opportunities for those who wish to invest directly into individual projects within the Global Forestry Plan.



## PURCHASE PUBLICLY TRADED SHARES ON THE MARKET

Investing in ECO2 Forests is an ethical and environmentally responsible investment in a company which strives to create shareholder value as well as a positive environmental and economical impact.

Purchasing ECO2 Forests shares on the market can be done through an online trading account or by contacting a broker. An investment should be done after conducting your own personal research.



## PRIVATE PLACEMENT MEMORANDUMS

ECO2 Forests Inc. at certain times will make Preferred Stock and Company Share offers to accredited investors through a Private Placement Memorandum (PPM).

PPM's are intended to be issued to registered accredited investors only. Registration can be done via the Investor Portal on the ECO2 Forests website, [www.eco2forests.com/invest.html](http://www.eco2forests.com/invest.html), under Preferred Stock Offerings or Company Share Offers, or by direct request to the company. Each PPM is an individual offer and may differ from previous offers. As such, the PPM should be read carefully to ensure you are fully aware of your options.



## DIRECT PROJECT INVESTMENT

ECO2 Forests Project Pipeline, each individual forest is capitalized prior to becoming mobilized and a project within the Global Forestry Plan.

Land owners involved in Project Partnerships have first option to provide capital into a project. Following this, investors who wish to invest directly into a specific project can do so. Return on investment is outlined in each Private Placement Memorandum.

All Project Investment opportunities can be viewed and downloaded through our Investor Portal on the Company website - [www.eco2forests.com/invest.html](http://www.eco2forests.com/invest.html).

# MARKETS: LUMBER



There is an urgent global need for sustainable commercial reforestation programs to replace the rapidly diminishing supply of rainforest sourced lumber, which currently supply more than 75% of the world's hardwood logs and over 50% of the trade in sawn hardwood.

It is widely acknowledged that old-growth forests used for logging are nearing exhaustion, and the associated environmental impact with some traditional forestry methods have far reaching and damaging effects.

Plantation forests such as those implemented by the ECO2 Forests Global Forestry Plan must become the major source for commercial use lumber. At present, hardwood sawlog plantations are almost non-

existent while prices are on the increase. ECO2 Forests is positioned to obtain significant market share in this industry.

The 7-year growth-to-harvest cycle of the Kiri Tree and subsequent regeneration from the stump, as opposed to the 20-plus years and subsequent replanting for traditional hardwood plantations, affords a significant competitive advantage to the ECO2 Forests Global Forestry Plan to meet market demand and achieve considerable market share.

Production and consumption of key wood products, as outlined in Table 3 below, is expected to rise 1-2% per annum. Industrial roundwood (i.e. logs such as Kiri Logs) is expected to increase by more than 40 percent by 2030. In the future,

industrial roundwood is increasingly likely to come from planted forests.

A significant market exists for Kiri lumber, particularly in China and Japan. However, the greatest potential for Kiri lumber sales is by obtaining market share in the growing plantation forest industry to replace products currently imported from rainforests around the world.



Table 3: 2005 and projected Global Lumber Demand

		Actual (million m <sup>3</sup> )	Projected (million m <sup>3</sup> )	
		2005	2020	2030
Roundwood	Production	1668	2166	2457
	Consumption	1682	2165	2436
Sawnwood	Production	417	520	603
	Consumption	421	515	594
Wood based panels	Production	234	388	521
	Consumption	241	391	521
Paper/Paperboard	Production	363	568	743
	Consumption	365	571	747

Source: Food and Agriculture Organization of the United Nations, State of the World's Forests 2009

The concept of carbon credits and carbon trading originated via the Kyoto Protocol of 1997, mandating that countries who ratified the Kyoto Protocol must meet set emission reductions. Other countries and companies are voluntarily reducing their emissions through voluntary carbon markets. The generation and trading of carbon credits is a key component to achieving these emission reductions.

A recent New York Times article described carbon trading as the “fastest-growing specialties in financial services”...companies are scrambling to get “a slice of a market now worth about \$30 billion and that could grow to \$1 trillion within a decade.” The article, “In London's Financial World, Carbon Trading Is the New Big Thing,” continues: “Carbon will be the world's biggest commodity market, and it could become the world's biggest market over all.”

The overall carbon market continued to grow in 2008, reaching a total value transacted of about \$118 billion USD (€86 billion) at the end of the year, double its 2007 value. Approximately \$92 billion USD (€63 billion) of this overall value is accounted for by transactions of allowances and derivatives under the EU Emissions Trading Scheme (EUAs) for compliance, risk management, arbitrage, raising cash and profit-taking purposes.

The second largest segment of the carbon market was the secondary market for Certified Emission Reductions (CERs), which is a financial market with spot, futures and options transactions in excess of \$26 billion USD (€18 billion) representing a five-fold increase in both value and volume over 2007.

In May 2010, the US EPA announced that they would take control of the permitting of carbon emissions potentially a significant

demand for carbon credits in the USA.

ECO2 Forests intends to generate and sell carbon credits to third parties or through a carbon market around the world. An example of carbon sequestration is outlined below in Table 4.

Carbon Markets are in use today and are widely expected to grow as indicated in Table 5 below.

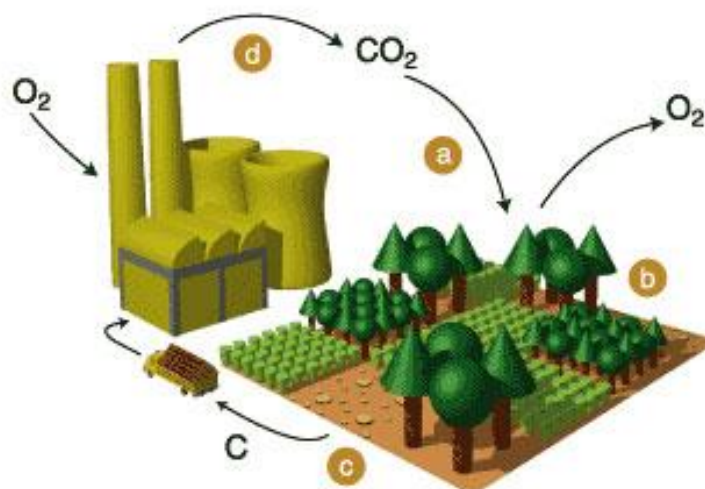
Table 5: Global Carbon Market

Year	Est. Market Size (USD)
2005	\$10 Billion
2006	\$30 Billion
2007	\$60 Billion
2008	\$118 Billion
2009	\$150 Billion estimated

Stats supplied by World Bank Finance Unit

Table 4: Carbon Emissions and Carbon Sequestration process

- a: CO<sub>2</sub> is absorbed from the atmosphere by the Kiri Tree.
- b: The Kiri Tree releases oxygen (O<sub>2</sub>) while storing the carbon.
- c: Transportation is one of the most significant contributors to the release of harmful CO<sub>2</sub> gases into the atmosphere.
- d: Factories and Industry are also a major contributor to the emission of CO<sub>2</sub> into the atmosphere.



## DIRECTORS



MARTIN TINDALL,  
INTERIM CEO, PRESIDENT  
& FOUNDER

Martin Tindall has been responsible for creating the vision of ECO2 Forests Inc. and the Global Forestry Plan. Mr. Tindall's role extends to finding the solutions to maximize revenue and operational gains. Mr. Tindall has been involved in leadership roles encompassing systemization and replication, technology, general management operations and finance over the past twelve years. His open and hands-on approach has created very effective teams and company successes. Mr. Tindall's experience encompasses private and publicly listed companies in Australia and the United States.

During the past twelve years, Mr. Tindall has held positions at various companies, including, Managing Director, Director, Chief Information Officer, Vice President, Head of eBusiness and Director of Special Operations. In each of these roles, specific focus was in creating turn around solutions to complex problems from technology to finance and structuring.

With core skills and studies encompassing Operations, People Productivity, System Process Development & Implementation, New Business Development, Business Scoping, Cash Flow Management, Contract Negotiation, Software Design, Advanced Computer Operations and Innovative Design of New Concepts, Mr. Tindall's skills allow for a fresh approach to virtually any challenge or organization.

Today, Mr. Tindall provides the key catalyst between business development and creating the structures and infrastructures to ensure that ECO2 Forests is continually positioned for success.

Martin's favorite quote "*we do not inherit the Earth from our Ancestors, we borrow it from our Children*" is an ancient Native Indian proverb and is central to the beliefs and philosophy of ECO2 Forests.



RAY SMITH,  
MANAGING DIRECTOR AND  
CHIEF OPERATING OFFICER

Ray Smith is an experienced executive manager with 30 years management experience in Australia and overseas. Ray has comprehensive experience in all areas of senior executive leadership and management encompassing executive and general management, sales and marketing management, operations and change management, contract and logistics management, strategic planning, management and implementation, organizational development, risk management, program management and policy design.

Mr. Smith had a long and distinguished career as a senior military officer in the Australian Army. He was continuously employed in demanding positions of responsibility primarily commanding large combat organizations. Some highlights include: Head Office Department Head of the Development Branch in an organization of 50,000 personnel; raising, training and first Commanding Officer of 4RAR (Commando); and Head of the Australia Malaysia Joint Development Program, a multifaceted Program of capability development projects.

In the private sector Mr. Smith has held a number of CEO and General Manager positions and has been employed in the defence, government, transport, consulting, education, service, marketing, engineering, telecommunications, forestry, warehousing and distribution sectors. He has proven to be an accomplished private sector leader, well practiced in developing diverse organizations into cohesive entities and has successfully led the start-up, mobilization and expansion of several large organizations. He has a reputation for no nonsense leadership and delivering results.

Mr. Smith's reputation for competence and integrity and experience is supported by degrees in business, management, international relations and project management.

Mr. Smith is based in the Australian Office. As Chief Operating Officer, he is responsible for the development, mobilization, operation and delivery of all company projects.

# E4 PHILOSOPHY



ECO2 Forests meets its triple bottom line responsibilities through its E<sup>4</sup> Philosophy. This philosophy underpins all ECO2 Forests projects and provides fundamental criteria that are intrinsic to the realization of an ECO2 project.

## ENVIRONMENTAL

Environmental responsibilities are paramount for ECO2 Forests. All Global Forestry Plan projects undertaken must create a positive environmental impact above any outcome that may occur without the project proceeding.

Two significant environmental positives are derived from ECO2 projects. The first benefit is the significant amounts of carbon sequestration achieved from each Kiri Tree planted in a forest. The second environmental benefit is a reduction in the need to log and the preservation of old growth forests.

## ECONOMIC

Economic responsibility is essential for any listed company. Thorough economic analysis is conducted prior to any ECO2 project proceeding beyond the evaluation stage.

In addressing environmental responsibilities, ECO2 Forests aims for all Global Forestry Plan projects to deliver shareholder value and a positive economic impact to the local community and region where it is located.

## EMPLOYMENT

ECO2 Forests Inc. makes all efforts to recruit staff from local communities where the project is located. Global Forestry Plan projects are often developed in remote regions, where local communities can experience higher unemployment rates than the major cities.

The positive effect for employees, their families and the wider community is long-term with most ECO2 Forests projects forecast to operate for up to 50 years.

Long-term employment for a region provides increased economic stability and growth.

## EDUCATION

Education takes on many forms at ECO2 Forests. All staff are trained and educated in the latest green technologies, ensuring the Company and staff remain at the forefront of reforestation and carbon sequestration techniques. This education provides staff with skills that can be passed on to family and friends.

A research and development facility in Australia has educational facilities for visitors and students to further their knowledge and skills in reforestation and other green technologies. The combination of our R&D and educational facilities and ongoing staff training ensures ECO2 Forests not only maintain their world class levels of standards but further educate the wider community in measures that will help to reduce their individual carbon footprints.

## ECO2 FORESTS GROUP OF COMPANIES

### PUBLIC PARENT COMPANY

ECO2 Forests Inc (US Stock Symbol: ECOF)

#### UNITED STATES

ECO2 Forests USA LLC  
 ECO2 Forests (US) Head Office LLC  
 ECO2 Forests (US) Nevada Projects LLC  
 ECO2 Forests (US) Smoke Creek 01 LLC

#### AUSTRALIA

ECO2 Forests Australia Pty Ltd  
 ECO2 Forests (AU) Head Office Pty Ltd  
 ECO2 Developments Pty Ltd  
 ECO2 International Pty Ltd

#### VANUATU

ECO2 Vanuatu Ltd  
 ECO2 Investments Ltd  
 ECO2 Ventures Ltd  
 South Pacific Plantation Management Ltd

# CONTACT



## UNITED STATES

4450 Arapahoe Ave Suite 100  
Boulder CO 80303

Phone: (303) 500 5272

Fax: (303) 648 6307

Email: [info@eco2inc.com](mailto:info@eco2inc.com)

## AUSTRALIA

240 Varsity Pde, Suite 16  
Varsity Lakes QLD 4227

Phone: 1800 783 770

Fax: 1800 783 570

Email: [info@eco2inc.com](mailto:info@eco2inc.com)



# RISK STATEMENTS



## RISK FACTORS

Any investment in a company, shares or project involves significant risks. You should carefully consider the risks described below before investing in this or any offering. If any of the following risks actually occur, our business, financial condition and results of operations could be materially and adversely affected, and you could lose all or part of your investment.

## RISKS RELATED TO THIS BUSINESS

Real estate, land or forestry Investing is Highly Speculative. The Company intends to engage in real estate, land or forestry investing which is speculative and involves a high degree of risk. Any real estate, land or forestry market is speculative and is significantly affected by changes in economic and other conditions, such as: employment levels; construction costs; availability of financing; local and national economics; interest rates; and consumer confidence.

These factors can negatively affect the demand for and pricing of the Company's investments and margin on sale. The Company is also subject to a number of risks, many of which are beyond the Company's control, including: changes in governmental regulations (such as slow- or no-growth initiatives); increases in harvesting production; labor strikes; and distribution costs

**Fluctuations In Market Conditions May Affect The Company's Projections.** The Company is subject to the regional or global potential for significant fluctuations in the market value of forestry land, production cost and value of sales of lumber and carbon credits. There is a lag between the time the Company acquires control a subject forestry land and the time that the Company can bring profits to market. This lag time is impossible to specifically and concretely determine in advance.

**The Company May Incur Additional Operating Expenses Due To Compliance Programs Or Fines, Penalties And Remediation Costs Pertaining To Environmental Regulations Within Markets.** The Company is subject to a variety of rules and regulations from its intended countries of operation.

**The Lumber Industry Could Increase Costs, Reduce The Company's Revenues And Earnings And Otherwise Adversely Affect The Company's Results Of Operations.** The real estate, land or forestry sectors are highly competitive and fragmented. The Company competes with several other companies producing the same Kiri tree product. The Company competes primarily on the basis of price, location, quality, service and reputation. Some of the Company's competitors may have greater financial resources, more established market positions and better opportunities for investment, and have lower costs of capital, labor and material

**The Company Is Dependent On The Services Of Certain Key Employees And The Loss Of Their Services Could Harm The Company's Business.** The Company's success largely depends on the continuing services of its Officers, The President and Founder, Mr. Martin Tindall, and COO, Mr. Ray Smith. The Company's continued success also depends on our ability to continue to attract and retain qualified personnel. The Company believes that The President and founder, Mr. Martin Tindall and COO, Mr. Ray Smith, possess valuable industry knowledge, experience and leadership abilities that would be extremely difficult in the short term to replicate.

**The Company's Operating Results May Vary.** The Company expects to experience variability in its revenues and net profit. Factors expected to contribute to this variability include, among other things: the general economy of its intended countries of operation, and ; the changing regulatory environment concerning real estate, land or forestry

**Accuracy of Anticipated Results of Operations.** The anticipated results of operations by the Officers have not been reviewed, analyzed, or otherwise passed upon by the Company's legal counselor, or accounting firm. Such "forward looking" statements are based on various assumptions of the Company, which assumptions may not prove to be correct (for example, the cost of material and labor, changes in regulatory environments, and changes in markets and expenditures). In addition, any statements, written or oral, which do not conform to those contained in this Memorandum and any addendum, if any, should be disregarded, and their use is a violation of law. The statements contained herein are based upon specific assumptions. If these assumptions are incorrect, the projections likewise will be incorrect.

No representations or warranties can be given that the estimates, opinions or assumptions made herein or therein will prove to be accurate. Any projections results of operations included in this Memorandum and all other materials or documents supplied by the Officers should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. The assumptions and facts upon which such projections are based are subject to variations that may arise as future events actually occur. The projections included herein are based upon assumptions made by the Officers regarding future events for example, the cost of tree planting and labor, changes in regulatory environments, and changes in the land or forestry product market valuations, and expenditures. There is no assurance that actual events will correspond with these assumptions. Actual results for any period may or may not approximate such projections. Investors are advised to consult with their own independent tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. No representations or warranties whatsoever are made by the Officers or its Affiliates or any person or entity as to the future profitability of the Company or the result of making an investment in the Shares.

**Acts Of War Or Terrorism May Seriously Harm the Business.** Acts of war, any outbreak or escalation of hostilities between the United States and any foreign power or acts of terrorism, may cause disruption to the global economy, or the local economy causing shortages or loss of profits, increase costs associated with establishing and maintaining the Kiri tree forestry. Further, consumer confidence, or cause economic changes that the Company cannot anticipate, all of which could reduce demand for the company's lumber and CO2 carbon credit sales and adversely impact the Company's revenues and earnings.

**Safe Harbor and Forward-Looking Statements.** This Company Brief contains statements which may constitute "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. Important factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include fluctuation of operating results, the ability to compete successfully, and the ability to complete before-mentioned transactions. The Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events, or changes to future operating results.

**WWW.ECO2FORESTS.COM**



**US STOCK SYMBOL: ECOF**



## **ECO<sub>2</sub> FORESTS INC.**

### **UNITED STATES**

4450 Arapahoe Ave Suite 100, Boulder CO 80303  
Phone: (303) 500 5272 Fax: (303) 648 6307 Email: [info@eco2inc.com](mailto:info@eco2inc.com)

### **AUSTRALIA**

240 Varsity Pde Suite 16, Varsity Lakes QLD 4227  
Phone: 1800 783 770 Fax: 1800 783 570 Email: [info@eco2inc.com](mailto:info@eco2inc.com)

**WWW.ECO2FORESTS.COM**

**US STOCK SYMBOL: ECOF**