

Project Stakeholders

The proposed Project would involve six (6) key institutional stakeholders:

1. District Government of Lebong

The Kabupaten or District of Lebong, located in Bengkulu Province in southern Sumatra, Indonesia, was created in 2003 from the Rejang Lebong Regency (Law No. 39/2003). As a recognized Conservation District, one of only seven in Indonesia, Lebong is cognizant of the critical importance of the Kerinci Seblat National Park ecosystems that comprise 57% of the district, but also of the need for additional revenue to be contributed directly towards sustainable livelihood development for local communities. The District Government will be the sole project owner and is already collaborating with other local Non-Governmental Organizations (NGOs) to implement forest monitoring, planning and field observation.

2. Central Government of Indonesia

The Government of Indonesia (GOI) has made significant progress in the last 18 months in its efforts to create a harmonized national REDD+ policy. The GOI has stated that the forestry and peatlands will be the most significant sector in meeting its formal commitment to reducing national GHG emissions 26 percent from current levels by 2020. Further, the Ministry of Forestry's numerous consultations, meetings and regulations on REDD+ have made it clear that the GOI will be involved in all forest carbon projects in the future. Through the REDD+-related regulations issued over the past few years, the GOI has demonstrated an awareness of the importance of a stable, comprehensive legal framework for the development of the nascent REDD+ market and as a result, is creating a degree of certainty for project developers. According to the current REDD regulations, each project will need a license to conduct REDD+ activities. issued the central Ministry of Forestry which will enable a project to move more swiftly towards credit generation. Carbon Conservation has strong ties with the Ministry of Forestry and meets with the Ministry to keep them updated on REDD+ project activities.

The Central government of the Republic of Indonesia, via the Ministry of Forestry, will be asked to support the Project through the issuance of a REDD business license.

3. Artha Suaka Foundation

Artha Suaka Foundation is the principal on the ground NGO partner for the Project and has been operating in Lebong since 2006. It has dedicated itself in Lebong to assisting the District Government with the implementation of its conservation goals, especially in relation to community awareness and community socialisation activities. With its motto of "Green Partnership for Better Life," the foundation is able to assist with district-wide community integration efforts, community forest conservation and environmentally clean development activities.

2.1 Carbon Conservation

Carbon Conservation, an Asian-Australian company based in Singapore, is the world leader in commercialization of forest-based carbon offsets. Carbon Conservation successfully created, validated and sold over a million tons of abatement to Rio Tinto Aluminum in 2007 through its wholly owned subsidiary The Carbon Pool. Carbon Conservation has also worked with the Aceh Government to develop the Ulu Masen Ecosystem Project, a REDD initiative

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that became the world's first REDD project to be independently validated under the Climate, Community and Biodiversity Alliance standards. This globally recognized project was awarded Environmental Finance Carbon Deal of the Year in 2008 after Merrill Lynch signed a \$9 million USD emissions reductions purchase agreement, with a potential range of up to \$432 million USD.

Carbon Conservation has also consulted with national and provincial governments to develop low carbon development strategies such as the Aceh Green, Papua Green, Suriname Green Economic Development Plan and now the Lebong Green Development Plan. These macro-initiatives are strategically linked to carbon project-based development.

Carbon Conservation is responsible for all aspects of developing and commercializing commercializing the Lebong REDD+ Rainforest Rescue Project.

2.2 Landowners and Local Communities

As illegal agricultural land conversion and illegal logging, the livelihood-driven activities of communities living adjacent to the forest area, are the central drivers of deforestation in Lebong, the participation of local landowners and local communities in the Project will be essential. Though the legal status of the forests in the Project area will remain protected from commercial logging and conversion, to avoid deforestation and forest degradation alternative sources of livelihood and other sustainable development solutions must be forged. For example, the Lebong government envisions the creation of a Village Conservation Group to empower communities around the conservation area and other forest areas to maintain the threatened forest. Further, by cultivating alternative types of crop trees (i.e. rubber, nutmeg, fast growing timber species) combined with intercropping, as well as plots of land to plant in and around community areas. The Project would not only create new cash crops to support communities, but also develop the Lebong Green Development Plan as a model for other conservation districts in Indonesia.

2.3 Primary Investor

The primary investor will join Lebong and CC to become an early stage investor of the Project. Lebong and CC have invested significant resources to identify and initially quantify the proposed forest carbon emission reduction potential. The primary investor is providing additional development funding to progress the project to validation under a suitable carbon market and will be the primary offtaker of the initial carbon emission reduction units.