



New Forests and Yurok Tribe Achieve Regulatory Approval of First Compliance Forest Carbon Offset Project for California Carbon Market

KLAMATH AND SAN FRANCISCO, CALIFORNIA (April 10, 2014) – New Forests and the Yurok Tribe announced today the regulatory approval of the first forest carbon offset project developed under the California Compliance Offset Protocol – U.S. Forest Projects, a standard adopted by the California Air Resources Board for use in the California cap and trade program. The California Air Resources Board (“ARB”) approved issuance of over 836,000 ARB offset credits to the Yurok Tribe/Forest Carbon Partners CKGG Improved Forest Management project. ARB offset credits can be used for compliance in the California greenhouse gas cap and trade program. The project’s registration is a significant milestone in the development of the offset market in the California cap and trade system.

The State of California’s press release regarding the project approval and credit issuance can be found [here](#). The California Air Resources Board also released a video about the project’s verification, which can be located [here](#). The Climate Action Reserve’s press release for the project can be found [here](#).

The project encompasses 7,660 acres of Douglas-Fir and mixed hardwood forest near the Klamath River in Northern California. By registering the Improved Forest Management project and selling carbon offsets in the California cap and trade system, the Yurok Tribe has made a legal commitment to maintain current forest carbon stocks and to manage the forest for both increased carbon sequestration and sustainable timber production. The project will generate significant revenue for the Yurok Tribe, assisting in the protection of their forest for future generations and supporting the Tribe’s continued management of their ancestral homeland. The project will also support watershed rehabilitation to improve forest diversity and reduce runoff that adversely affects salmon populations.

Through its Forest Carbon Partners, L.P. investment fund, forestry investment manager New Forests has provided offset project finance and managed all aspects of project development and offset credit sales for the project. The Yurok project is one of six forest carbon offset projects currently under development by New Forests for the California carbon market. SCS Global Services provided offset verification services for the project. The project was registered with the Climate Action Reserve, an offset project registry approved by the State of California.

“This carbon offset project will foster the restoration of a significant swath of forest,” said Thomas P. O’Rourke Sr., Chairman of the Yurok Tribal Council. “Our partnership with New Forests will provide the Tribe with the means to boost biodiversity, accelerate watershed restoration, and increase the abundance of important cultural resources like acorns, huckleberry and hundreds of medicinal plants that thrive in a fully functioning forest ecosystem.”

“With the successful registration of the Yurok Project, we are demonstrating that the rigorous California compliance offset protocol can deliver real financial and environmental benefits to forest landowners in California and across the nation,” said Brian Shillinglaw, Associate Director, New Forests Inc. “This project marks the first time that a regulatory carbon offset market has created a financial incentive for leaving a tree standing, placing a financial value on the carbon sequestration services that forests provide. The California carbon market will incentivize sustainable forestry, forest conservation and improved wildlife habitat on both industrial and non-industrial timberlands throughout the United States.”

About Forest Carbon Partners and New Forests

Forest Carbon Partners, L.P. is a leading supplier of forest carbon offsets to the California cap and trade system. An investment vehicle managed by New Forests Inc. of San Francisco, Forest Carbon Partners offers forest carbon offset project finance and development services to private forest landowners nationwide. The fund manages all aspects of project evaluation, development, registration, and credit sales, delivering

improved timberland revenue to landowners and a reliable supply of high-quality offsets to California compliance buyers. New Forests Inc. is a wholly-owned subsidiary of New Forests Pty Limited of Sydney, Australia. The New Forests group (www.newforests.com.au) manages investments in sustainable forestry and associated environmental markets for institutional investors. The company has offices in Sydney, Singapore and San Francisco and currently manages more than AU\$2.3 billion in funds and assets and over 1,000,000 acres of land in Australia, the United States and Asia.

About the Yurok Tribe

The Yurok Tribe is a natural resource-based tribe and the largest in California. The Yurok Reservation is centered one mile on either side of the Klamath River, from the Pacific Ocean upstream 44 miles. The Tribe is on the cutting edge of natural resource management and a leader in tribal forest carbon offset projects under the California cap and trade system. The Tribe maintains carbon projects on over 30,000 acres of Tribal land. These projects further Tribal values in anadromous fish protection and restoration, biodiversity, healthy forests, and clean water.

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