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“To look at a forest and only see trees, is to look at an ocean and only see water”
Ciaran Kelly, CEO, Celestial Green Ventures PLC
Executive Summary

Celestial Green Ventures PLC (CGV) is a Carbon Project Development Company holding the carbon credit rights to an area of land in excess of 20 million hectares of vulnerable rainforest in the Amazon region of Brazil.

Listed on the Open Market of the Frankfurt Stock Exchange under the ticker 9CG, Celestial Green Ventures is aiming to become the leading global supplier of REDD\(^1\) carbon credits in the Voluntary Carbon Market.

Through strong ethical commitments, high-quality carbon credits and transparent reporting, CGV projects will benefit the climate, the communities and the investors that engage in the projects.

Company Philosophy

- To produce high-quality, low-cost REDD carbon credits
- For all projects to have compulsory inclusion of ecosystem benefits
- To carry out all projects with transparency
- To use local expertise and knowledge of the project areas and engage local participation
- To become the leading carbon credit investment company
- Develop carbon projects that adhere to the highest quality Standard
- To create a fusion between environment and profitable investment

To fulfil these objectives and to successfully implement them within the development of their project, CGV have:

- Made important Strategic Alliances with local Brazilian organisations such as Amazonia Livre and INABRA;
- Engaged with the Ecosystem Certification Organisation Natural Forest Standard for the validation and verification of their carbon credit projects;
- Signed carbon rights contracts with a combination of Municipalities, Indigenous Tribes and Private Landowners.

All CGV projects have a 30 year duration affording long-term benefits and a profitable future to both project participants and investors alike.

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\(^1\) Reduced Emissions from Deforestation and Forest Degradation - REDD
Voluntary Emission Reductions (VER’s) and REDD

The Voluntary Carbon Market is lucrative and booming, enjoying growth where other markets are declining. Whilst offsetting emissions is a primary buyer motivation, it is increasingly Corporate Social Responsibility and Brand Enhancement that is leading investors towards the carbon market.

The Voluntary Carbon Market grew 34% in the year 2009-2010, transacting 131 million tons CO$_2$e (MtCO$_2$e), worth at least $424 million whilst the Mandatory Carbon Market has seen a decline in the same year, due to a lack of clarity over the 2012 deadline of the Kyoto Protocol, with the CDM market at its lowest since the Kyoto Protocol was introduced in 2005, dropping 46%. Current predictions of growth within the Voluntary Market expect a rapid increase in market size, reaching 1.6 billion MtCO$_2$e by 2020.

Carbon credits within the Voluntary Carbon Market are referred to as Voluntary Emission Reductions (VER’s) and are a flexible investment for buyers because:

- They can be used as offsets;
- They can be used for CSR/Brand enhancement;
- They can be traded;
- They can be used as ethical investment tools.

REDD credits within the Voluntary Market have seen a phenomenal growth pattern since 2006, when they were representing just 2% of the Voluntary Market. With the year-on-year market share of REDD rapidly escalating to 71% in 2010, REDD is transacting at greater volume of credits with a larger prospective value than any compliance market to date. The increasing interest in REDD, coupled with the emerging standards that are providing validity and value to the projects, positions CGV and their REDD projects at the forefront of rising market demand.
REDD as an Investment

Reduced Emissions from Deforestation and Forest Degradation (REDD) projects are established on existing areas of forest which have a demonstrable risk of deforestation or degradation which, if the project was not implemented, would reduce the conserved levels of carbon stored within them; the emission reductions VER’s are generated from the avoided emissions.

REDD projects provide a multitude of benefits to a wide range of stakeholders:

• **Climate**
Global emissions from deforestation and degradation account for 17-20% annually, resulting in this being the largest single contributor to global carbon emissions, as forests (especially tropical rainforests) play a key role in the global carbon cycle, because they are both sources and absorbers of carbon. Protecting these areas of rainforest through REDD projects gives a two-fold benefit; the trees remain intact, and therefore continue to hold the carbon already sequestered plus they continue to absorb further carbon from the atmosphere.

• **Community**
The focus of CGV REDD projects is not exclusively to conserve the rainforest; the parallel focus is to conserve, improve and enhance the livelihood of the communities in and around the project areas. By enlisting local peoples participation in the projects, offering them the opportunity to become actively involved in the protection and sustainability of their habitat and rewarding them monetarily for this, gives them a tangible and rewarding outcome from contributing to CGV’s projects.

• **Investors**
Forest-based carbon projects supplied the largest total volume transacted on the Voluntary Market in 2010, with REDD projects in particular ascending to the forefront of the Voluntary Market. Accounting for 33% of all VER’s transacted on the Voluntary OTC Market in 2010 with demand continuing to rise, REDD is viewed as potentially the most sustainable voluntary credit on the market with current pricing trends reflecting this. In 2010 the average price for a REDD credit was $5 per tCO₂e, and this has already risen in 2011 to between $8-10, as avoided deforestation credits continue to attract a premium.

All CGV projects carry such a premium due to their unequivocal commitment to including co-benefits such as socio-economic improvement, and biodiversity conservation within their project design.

Figure 2: Forest Carbon Share of Voluntary OTC Market 2010, based on total volume of 59.7MtCO₂e

![Figure 2: Forest Carbon Share of Voluntary OTC Market 2010](image)
ECO as our Standard

The Ecosystem Certification Organisation (ECO) Natural Forest Standard (NFS) is developed with both Forest and Biodiversity Conservation in mind, ensuring that all projects participating under this standard have integrated benefits to the forests and the wider ecosystem services.

The Standard provides an efficient and effective mechanism for the certification of carbon and ecosystem benefits, by taking the fundamental concepts of REDD projects and developing them into an all-encompassing Standard that not only rewards the conservation of Natural Forests but also certifies biodiversity conservation and community benefits.

A panel of Technical Experts will approve methodologies that will ensure the carbon projects proposed for validation under the NFS standard will explicitly bring benefits to the ecosystem services as a whole, whilst simultaneously ensuring proactive forest conservation.

The ECO NFS Standard is being developed in conjunction with Ecometrica, a leading Carbon Accounting, Policy Specialists Company, who have extensive experience and expertise in the development and application of user-friendly, efficient Carbon Standards.

Using ECO’s stringent methodologies plus the compulsory third party validation and verification process, CGV are able to ensure the integrity, quality and credibility of the carbon credits that are generated from their projects.
Investing in VER’s with Celestial Green Ventures

Forest conservation benefits are two-fold. They include the benefits that are captured in a carbon credit, but they also have the benefits which fall outside of this, which are the ecosystem benefits.

There is a clear need within the Voluntary Carbon Market for projects to deliver these additional benefits to biodiversity and communities, enabling project developers to satisfy the ever-increasing discernment of buyers and investors.

By designing their projects with this in mind, CGV are at the leading edge of including biodiversity, conservation and socio-economic benefits as an integral part of their project design. Not only do CGV’s projects all actively conserve the areas of pristine rainforest under their jurisdiction, but they also apply their unique and ethical commitments to each and every project:

- Ensuring all aspects of every project are carried out in a responsible and sustainable manner;
- Enhancing the living conditions of the people in and adjacent to the project areas;
- Enhancing healthcare facilities including vaccinations and local medical clinic provisions;
- Availability of safe water supplies and sewage disposal;
- Increasing educational opportunities;
- Providing provision of employment;
- Recognition of the wisdom and local knowledge of indigenous people and of their right to participate democratically in decisions affecting their future;
- Provision of top quality measures to protect and secure future biodiversity;
- Provision of energy needs of local communities using sustainable technologies to avoid the cutting down of trees for firewood;
- Protection of integrated ecosystems which is vital to protecting biodiversity.

By offering premium quality REDD VER’s generated from ethical, transparent projects, Celestial Green Ventures gives investors the opportunity to:

- Participate in the long-term vision that CGV projects offer;
- Invest within the expanding Voluntary Carbon Market; and
- Actively contribute to the welfare of the Global Environment.

With the ability to expand their contract portfolio into a global scale enterprise, together with the expertise of industry-knowledgeable staff and ingrained ethical integrity, an investment with CGV is more than just investing in VER credits; it is about making a long-term ethical investment which benefits both the investor and the environment alike.