

Greenomics Indonesia Press Release:

Aceh's Forests Greasing Works of Australian Carbon Company's Share Dealings

Jakarta, 4 May 2011 – Greenomics Indonesia can reveal that Carbon Conservation, an Australian carbon broker, is using its an agreement with the Government of Aceh Province as collateral in a deal involving shares of East Asia Minerals Corporation, a Canadian gold mining company, that is prospecting for gold in the forests of Aceh.

Under Carbon Conservation's agreement with the government of Aceh - which was signed in July 2008 – Carbon Conservation was awarded the exclusive right to market and sell forestry carbon credits related to the 700,000 hectares Ulu Masen block.

In a press release issued by East Asia Minerals Corporation in Canada on 3 May 2011, East Asia Minerals Corporation – which is listed on the Toronto Stock Exchange – stated that they would pay US\$500,000 and issue 2.5 million share to Carbon Conservation.

Greenomics Indonesia strongly opposes these maneuvers by Carbon Conservation, which has used its agreement with the Government of Aceh as an asset in the share transaction with East Asia Minerals Corporation.

Greenomics Indonesia therefore demands that Aceh Governor Irwandi Yusuf take action to prevent this transaction going ahead.

This was stated Greenomics Indonesia National Coordinator Vanda Mutia Dewi in Jakarta (4/5/2011), who condemned the actions by Carbon Conservation and East Asia Minerals Corporation. Vanda said that the share transaction clearly used Aceh's forests as collateral.

“On the one hand, East Asia Minerals Corporation has a commercial interest in gold mining in Aceh's forests, the Miwah project, while on the other hand Carbon Conservation has been granted exclusive rights by the Aceh Governor to sell and market carbon credits related to more than 700,000 hectares of Aceh forest located in the Ulu Masen forest block. Why are Aceh's forests being used as an asset by Carbon Conservation to obtain funds from a share transaction with East Asia Minerals Corporation? This clearly involves a conflict of interest. Carbon Conservation has misused the agreement it entered into with the Government of Aceh. This share transaction must be rejected outright,” Vanda said.

According to Vanda, the motive behind the transaction was clearly the advancement of the mutual business interests of East Asia Minerals Corporation and Carbon Conservation.

The proof, Vanda said, was a statement made by East Asia Minerals Corporation during a press conference referring to the fact that large-scale jewelry businesses were boycotting gold that was not mined in an environmentally aware manner, and gold extracted from areas that are sensitive environmentally.

“Aceh's forests, particularly its protected forests, are categorized as environmentally sensitive areas. The agreement between the Government of Aceh and Carbon Conservation is being used as a cover for the mining operations of East Asia Minerals Corporation through the share transaction between the two companies,” Vanda said.

According to Vanda, she had queried the share deal with Aceh Governor Irwandi Yusuf.

“The Governor said that he had never issued any recommendations regarding East Asia Minerals Corporation’s operations in Aceh. In fact, the Governor said it was strange that East Asia Minerals Corporation was now conducting operations,” Vanda said.

Greenomics Indonesia is of the opinion that the action of Carbon Conservation in using its agreement with the Aceh Government as collateral in its share deal with East Asia Minerals Corporation is an insult to the province and people of Aceh, and consequently urges Aceh Governor Irwandi Yusuf to immediately demand that Carbon Conservation cancel the share transaction.

“We have also informed Hasbi Abdullah, the speaker of the Aceh Provincial Legislative Assembly, of the Carbon Conservation problem, who said that he would be firmly opposed to any transaction between Carbon Conservation and East Asia Minerals Corporation that would involve Aceh’s forests, and that he would urge a review of the agreement between the Aceh Provincial Government and Carbon Conservation,” Vanda said.