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clean energy



Afognak Island
Creating a cleaner economy



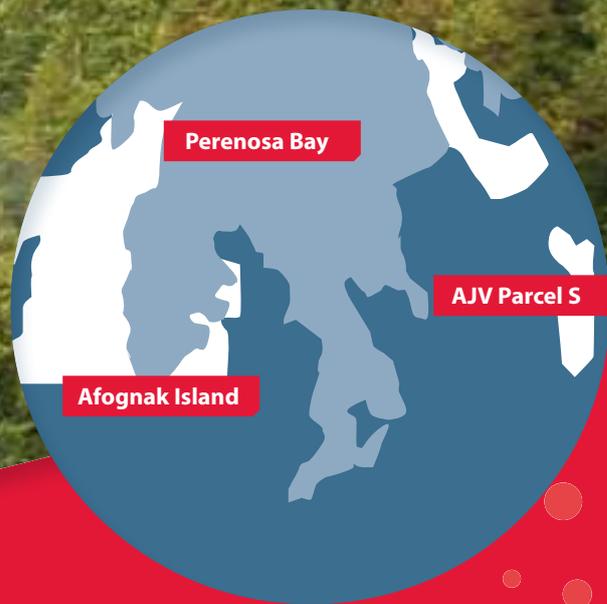
Could you reduce your impact on climate change and help to preserve the birthplace of American Forest Conservation?

200 miles southwest of Anchorage lies an island that might well prove pivotal to Alaska's conservation efforts.

The coastal areas of Afognak Island are home to 200-year old forests; river otter, beaver, marten and ermine; and offshore in the coastal waters sea lions and harbor seals swim in sight of humpback whales. An active logging industry has been present on the island for decades and timber is one of the few resources available to support the native corporations and tribes who own much of the land and timber rights.

The old-growth forests however have an increasingly important environmental value: they sequester millions of tonnes of carbon dioxide. This creates a new resource opportunity which provides revenue for protecting and preserving the forests and habitat based on their environmental benefits.

The Afognak Island Forest Conservation Project is a ten year project protecting over 8,000 acres of pristine habitat and preventing over 1 million tonnes of CO₂ from being released to the atmosphere. Camco is seeking interest from organizations who want to support this conservation effort, purchase high-quality, independently certified emissions reductions and help create a new resource model to support and stimulate future conservation efforts on the island.



A History of Conservation on Afognak Island

The first humans to come to Afognak and the Kodiak archipelago arrived not long after the glaciers receded over 7,000 years ago. Kodiak bears and native peoples co-existed for centuries on the islands before the towering Sitka Spruce trees first took hold some 800 years ago.

Vitus Bering was the first European to lay eyes on Afognak Island during his expedition to Alaska in 1741, and Russian fur trappers soon followed drawn by great commercial demand for sea otters pelts and bear furs. Commercial fishing and hunting operations continued to operate unabated on the Kodiak Islands even as the Territory of Alaska was transferred from Russian to American ownership in 1867.

By the close of 19th century the American people were increasingly concerned that the wanton destruction of wildlife, including the near extinction of the Bison, threatened to destroy forever the symbols of national heritage. The same generation of early American conservationists that saw the value in

preserving Yosemite and Yellowstone as our first National Parks, identified Afognak Island as an irreplaceable wilderness.

In 1892 President Benjamin Harrison designated Afognak Island as a "Forest and Fish Culture Preserve," a forerunner of the national wildlife refuge system. In 1907 President Theodore Roosevelt, who was elected as a champion of conservation causes, established Afognak Island as a National Forest.



President Theodore Roosevelt



The Rise of the Alaskan Timber Industry and the Reversal of Federal Protections

Afognak initially thrived under its new status as a National Forest Preserve.

It was not until the Second World War that logging camps were established on the island by the U.S. Army. During this period timber demand increased for Alaskan air, rail, road, and water transportation infrastructure. The Tongass Timber Act was passed by Congress in 1947 to help develop southeast Alaska and created a timber-first management regime. Post-war rebuilding efforts abroad affected another surge in demand for Alaskan timber.

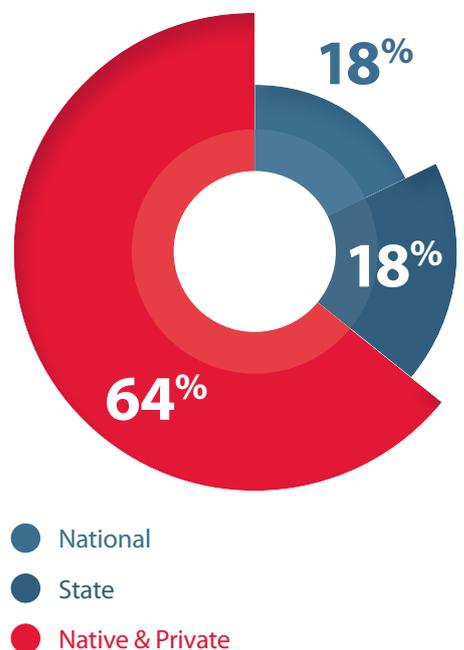
This surge in demand for pulp wood and building logs was keenly felt along Alaska's coastal forests. The Alaskan Timber industry relies heavily on its coastal inventory of timber for harvest. While coastal Alaska represents only 11% of total Alaskan forest, it represents 51% of total land use for harvest. Then in 1971 everything changed with

the passage by the U.S. Congress of the Alaska Native Claims Settlement Act. Overnight 310,000 acres of refuge were transferred into private ownership.

A logging road was built between Danger Bay and Discover Bay and commercial timber harvesting began in 1977. Three years later, Congress conveyed another 390,000 acres of forested lands on Afognak to private ownership. No longer were timber operations constrained by U.S. Forest Service regulations and the rate of logging – including clear cutting – greatly accelerated. By the end of the 1990's, more than 1,000 miles of timber roads connected timber operations on the island.

Logging operations today have slowed since their peak in the 1980's but Afognak's forests still provide timber for sale into the global markets. A century of federal management on the island had come to an end and the forest is now a resource being managed by private entities and subject to market demand for timber.

Timber Harvest by Land Type (all from 2006):





It is a great day when conservation meets the goals of a landowner, a local community, wildlife agencies and the public, and the Perenosa Bay transaction does all of that.

Gale A. Norton, Secretary of the U.S. Department of the Interior.



Climate Change and a New Value for Forest Conservation

Despite decades of large scale logging since the 1950s, Afognak Island has retained large tracts of undisturbed 180-250 year old native trees as well as regenerated growth of trees that are less than 20 years old.

Some of these tracts are protected either by state or private interests while the majority remains at risk of being timbered. The area is dotted with numerous lakes, ponds, small streams, and wetlands and Afognak is home to Alaska's largest herd of elk. Around 900 elk, some of whom weigh in at a massive 1,400 pounds roam the island.

The Afognak Forest Carbon Project represents a decade of dedicated efforts by dozens of dedicated individuals, who have worked to conserve a truly unique ecosystem in perpetuity through the efforts of project partners Rocky Mountain Elk Foundation, and the American Land Conservancy. Since 2008, this pioneering effort affected a shift from

Timber Production management to Conservation management across the five parcels that constitute the Afognak Project. The Afognak Forest Carbon Project represents the first project of its kind in the state of Alaska.

The project has been registered under the Verified Carbon Standard (VCS) version 3.2 as an Improved Forest Management project. The VCS was selected by Camco as an appropriate standard due to the availability of a suitable methodology which could be applied to this unique landscape and the international reputation of the standard in the forest carbon space for

certifying high-quality carbon projects. Over a one-year period Camco led a team of foresters and technical experts in documenting the carbon sequestered on-site according to the VCS methodology.

Amongst other things this entailed a two-week stay on the island to install 23 monitoring plots at random locations across the 8,000 acre site, measurement of biomass within these plots and independent validation of the results by third party verifiers Rainforest Alliance. Successful registration and verification of project was achieved in July of 2012.



Key Facts

Location

Afognak Island, Alaska

Project Type

Improved Forest Management (IFM)
AND Logged Forest to Protected
Forest (LtPF)

Project Status

Project has been validated. VCUs generated between 2008 and 2011 have been verified.

Environmental Benefits:

- Prevent land disruption from timber logging.
- Prevent GHG air pollution from timber logging.
- Restore & protect habitat for native plant, mammal, and bird and fish species.

Methodology

VM0012 Improved Forest Management
on Privately Owned Properties in
Temperate and Boreal Forests (LtPF) v1.0

Standard

Verified Carbon Standard (VCS) v3.0

Validation/Verification

Rainforest Alliance, Inc.

Credit Volume and Vintage

340,000

VCUs from 2008-2011

Social Benefits:

- Sustains the natural fisheries maintained by native coastal-dwelling Alutiiq tribes.
- Provides pristine environments for hunting and fishing that is managed by the Alaska Department of Natural Resources. Financially incentives native corporations to preserve rather than harvest timber from Alaskan forests.

Afognak Island: Protecting Native Species

Roosevelt Elk, Pacific Salmon, Steelhead, Rainbow Trout, Artic Char, Dolly Varden, Kodiak brown bear, Bald eagle, Marbled Murrelet, River otter, Tundra vole, Sitka-black tailed deer, Mountain goat, Snowshoe hare.



Afognak is home to many species endemic to Alaska. The preservation of natural forest habitat is important for the continued survival of these species.

Protecting the spawning habitat of the salmon



Afognak Island rivers and streams are the spawning habitat of five Pacific Salmon species including Chinook, Coho, Chum, Sockeye, and Pink. The vitality of the Pacific salmon

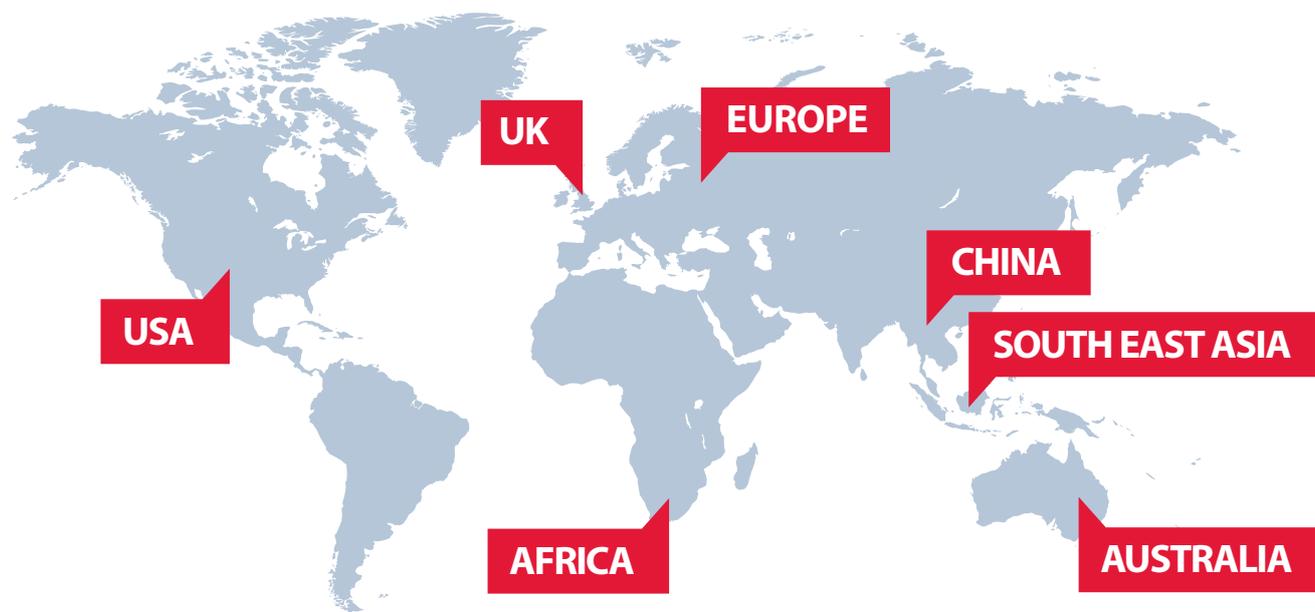
population is integral to the health of the Alaskan wildlife food chain. Salmon represent a key food source for Kodiak brown bears, Bald Eagles, Stellar Sea Lions, and Humpback Whales and are a key source of food and revenue for the local population.

From threatened extinction to conservation - the Marbled Murrelet



The Marbled Murrelet is small, black-billed seabird that resides in the old-growth forests of the Pacific Northwest. The species faced eminent endangerment as heavy logging in

the latter part of the 1950's threatened the bird's tree-top nesting habitats. The nesting behaviors of these birds are unique in that they forgo nesting in cliffs or burrows for nesting in the limbs of old-growth Sitka Spruce. The Marbled Murrelet's inextricable dependence on old-growth forest environments has rendered the species as an iconic symbol of forest preservation.



Working with experienced and dedicated partners

Camco – Founded in 1989, Camco is a global developer of clean energy projects and greenhouse gas emission reduction technologies.

In North America, Camco is focused on developing, monitoring, advising, and financing projects in the agricultural and industrial sectors.

Camco's expertise in the management and commercialization of carbon credits from its emission reduction projects is recognized by its partners as a key component for project success by ensuring vital revenue streams.

Camco's work on the Afognak project ensures that the carbon sequestered by the project is accurately calculated and signed off by accredited independent third party auditors through the VCS. Over a three-week period Camco installed 23 monitoring plots in the project area measuring variables such as tree density, age and diameter which, through use of a well-established, peer reviewed

model developed by the University of British Columbia have been used to estimate project carbon and growth rates to a high-level of certainty. As the project ages Camco will continue to be involved, undertaking future on-site verifications in compliance with the VCS and managing the projects reserve buffer pool – the number of offsets which are retained by the VCS as insurance to guard against unanticipated events such as disease which may cause a loss of forest cover.

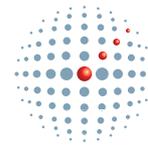
ALC – The American Land Conservancy (ALC) was founded in 1990 by to protect America's rich natural heritage through land conservation. As a non-profit organization, the ALC has conserved over 276,000 acres across wild habitat as well as working farms and ranches. Alaska is one region among six across the U.S. that the ALC focuses its efforts.

RMEF – The Rocky Mountain Elk Foundation (RMEF) was founded in 1984 to ensure the future of elk and other wildlife across North America.

Over six million acres of habitat have been conserved by this 185,000 member organization to date which also funds land conservation, elk restoration, and habitat enhancement

projects. In addition, funds are appropriated for the education of members and the public in areas such as habitat conservation and hunting heritage.

To date, RMEF has secured over 600,000 acres of protected land for public access to hunting and outdoor recreation.



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