

## **World's largest Forestry AAU Transaction– 520,000 Forestry AAUs sold from New Zealand to European Buyer**

**28 July 2009**

The world's largest transaction to date involving a purchase and sale of forestry AAUs from New Zealand has just taken place. This is also the first purchase of forestry AAUs from New Zealand by a European Buyer.

A European Buyer has purchased approximately 520,000 forestry AAUs from the New Zealand forestry company, Ernslaw One Limited. The AAUs have been awarded under New Zealand's Emissions Trading Scheme (NZ ETS) where they were awarded as NZUs which have now been converted into AAUs. While the Scheme is currently under review forestry owners have already received units and been part of the NZ ETS since 2008. With the domestic market in New Zealand in a state of uncertainty, forestry owners in New Zealand are starting to look offshore to monetise their forestry AAUs. The deal was advised by New Zealand carbon brokerage company Carbon Market Solutions Ltd who have a successful track record in advising large carbon credit transactions from New Zealand.

The particular transaction is significant because it shows that there is a demand for high quality New Zealand forestry AAUs from international buyers demonstrating that the NZ ETS provides a transparent and accountable system for forestry projects, with long-term commitments and liabilities for the forest owners, which helps to ensure the environmental integrity of the AAUs.

Ernslaw One Limited is one of the largest owners of private Kyoto compliant forest in New Zealand, having undertaken afforestation projects to establish 27,780 stocked hectares of which approximately 11,000 hectares are planted in longer rotation Douglas-fir, the balance being in radiate pine. All the forests owned by Ernslaw One Ltd are certified by the Forest Stewardship Council (FSC) and independently audited.

Thomas Song, Managing Director of Ernslaw One Limited said "We are delighted to have been able to conclude this deal. This deal demonstrates that there is significant interest internationally in forestry AAUs from New Zealand. We see this as a great boost to the forestry industry in New Zealand and a cost-effective way to involve the forestry industry in climate change mitigation. We look forward to managing these forests for the benefit of the global environment.

John O'Brien, Managing Director of Carbon Market Solutions Ltd, the company which brokered the deal said "It is fantastic to be able to demonstrate that New Zealand forestry AAUs are a sought after commodity in international carbon markets and that forestry can play an increasing role in global efforts to mitigate climate change. We are very pleased to have been able to have advised this ground breaking transaction."

The name of the buyer and the price of the sale of AAUs is undisclosed.

For further information contact the representatives below or got to [www.carbonmarketsolutions.com](http://www.carbonmarketsolutions.com)

### **Press Contact**

Thomas Song, Managing Director, Ernslaw One Limited

Tel: 09 622 2080

John O'Brien, Carbon Market Solutions Ltd

Mobile: 021 057 8085