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## California Forest Owner Sells 60,000 Tons of Emission Credits

By Adam Satariano

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NEW YORK -- Natsource Asset Management LLC, a New York-based manager of pollution reduction permits, purchased 60,000 tons of emission credits from the owner of a private California forest.

The purchase of the credits from the Van Eck Forest in Humboldt County, California, is the first to be completed under rules drafted by the California Air Resources Board last year to standardize ways of measuring the amount of carbon dioxide stored by forests so they can be used in national or international emissions markets.

Conservation of forests, which are large natural stores of carbon dioxide, has been among the issues considered in international negotiations to draft a new global warming treaty. Deforestation is the third-largest source of carbon releases after use of fossil fuels and industrial operations, accounting for 20 percent of global emissions.

“Forestry can and should be an important part of the portfolio of climate change solutions moving forward,” Jack Cogen, chief executive officer of Natsource, said in

a statement.

Exact terms of the purchase weren't disclosed, though Natsource Chief Operating Officer Richard Rosenzweig said it was below \$10 per ton. Natsource, a member of the International Emissions Trading Association with clients including private equity firms and hedge funds, has \$400 million in capital.

The sale was the biggest yet for the 2,200-acre (890 hectare) Van Eck Forest, which is managed by San Francisco-based Pacific Forest Trust. Other investors in the forest, which lies about 300 miles (480 kilometers) from San Francisco, are House Speaker Nancy Pelosi and California Governor Arnold Schwarzenegger.

Laurie Wayburn, president of Pacific Forest Trust, said there has been increased interest in forest management projects since California regulators created the standards.

“Investors have been leery of going into the forest sector because the rules have been so unclear,” she said.