



# Amazonia Reforestation

A division of Planeta Verde Reforestación S.A.

*We plant tropical trees in the Orinoco River basin of Vichada, Colombia, for lumber, for carbon sequestration, for profit and for expanded wildlife habitat.*

First Quarter 2012, Volume One

## 2009 to 2011: Three Years of Success!

We are very happy to be able to present our first newsletter to investors, associates and friends. Needless to say we have been busy these last years, and have tried to keep the web sites up to date, but it is definitely time for a more concise statement of activities.

As most of you know we acquired the plantation known locally as *La Pedregoza* in 2007. In 2007 and 2008 we added 2 areas, *El Encierro* and *Maldonado* to the total land base, which is presently 3,100 hectares (ha) or some 7,657 acres. In 2008 we did some test planting and some preparatory infrastructure.

2009 was the year when we started planting tropical trees in earnest, with 62 ha of *Acacia mangium*, 26 ha of *Eucalyptus introgresión*, 20 ha of *Eucalyptus pellita* and 0.5 ha of *Acosmium nitens*, representing 137,750 trees. We also erected some buildings, storage areas, septic tanks, water towers and sheds and hosted our first eco-tourists.

2010 saw us planting 60 ha of *Eucalyptus pellita*, 40 ha of *Acacia mangium* and 30 ha of *Anarcadium occidentale* (cashew trees), for a total of 130,000 trees. We established our own tree nursery, built more buildings and water towers, hosted more eco-tourists and started planning the natural reserve.

2011 started with a bang. RESNATUR officially recognized our 1,000 ha *Reserva Natural La Pedregoza* as a conservation area in the Orinoco River basin. The *Edmonton Journal* made us front page news in their January 31, 2011 edition, with the article carried by newspapers across Canada. We planted 345 ha with 406,000 trees representing 25 different species, including lumber, fruit, native and bio-fuel trees. The *University of Alberta* completed one study on climate change and laid the ground work for several others. Dexter Dombro was appointed to the IUCN's *World Commission on Protected Areas*. We also became an official *Tree-Nation* plantation.



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# Our Natural Reserve

Amazonia Reforestation believes that responsible forestry includes conservation of local flora and fauna. We founded our natural reserve to conserve and preserve the amazing biodiversity of the Orinoco River basin. The natural reserve has three old growth rain forests, inundation forests and gallery forests, as well as savannah.

Our natural reserve has 3 main objectives. First is a dedicated program of collecting the seeds of endangered native tree species and propagating those trees, with an eye to an eventual seed bank. Second is the collection and hatching of endangered giant Podocnemis river turtle eggs and the care of the babies until they can be safely released. Our third objective is the construction and operation of an Interpretive Center educating local people and international visitors alike on the importance of the inundation forest, gallery forest, savannah and the Orinoco River basin biodiversity that depends on it.

Much of this has been accomplished because of the help of our friends at the world-renowned Omacha Foundation, whose advice and support have been instrumental in making the natural reserve a success. This also led the *International Union for the Conservation of Nature* to name one of our founders, Dexter Dombro, to their *World Commission on Protected Areas*. We have received support from Planet Action, who have provided detailed satellite images of the reserve taken by France's spot image satellites. The natural reserve has already hosted a number of eco-tourists from Canada and elsewhere.



## University of Alberta

The Faculty of Agricultural, Life & Environmental Sciences has become an important supporter of our scientific and conservation efforts. We signed a Memorandum of Understanding with them in 2010.

After a visit to the plantation and natural reserve in 2010, Dr. Debra Davidson of the University of Alberta's *Faculty of Agricultural, Life & Environmental Sciences* (ALES) conducted a climate change study in May and June of 2011, together with Wayne Crosby, Ph.D., and Julio Arregoces, a master's student. The results of the study were presented to community leaders in Puerto Carreño at a public function on December 12, 2012, sponsored by *Amazonia Reforestation*. Also in December 2012 two entomologists from ALES visited our *Reserva Natural La Pedregoza*

and the plantation to plan future studies. Dr. John Spence is hoping to launch a course in tropical forestry at the University of Alberta, which would in part be taught at our plantation. Along for the trip was Claudia Castillo, who is doing her master's degree in primatology at the U of A. She is hoping to be able to do a much needed monkey census in our natural reserve and in Vichada. On January 8, 2012 Dr. Spence, Dr. Davidson, Jaime Pinzon and Dexter Dombro held a seminar at the U of A to a packed auditorium.



Getting ready to release a young Podocnemis turtle.



Hugging an endangered *Ocotea cymbarum* tree.



Kayaking in the natural reserve's inundation forest.

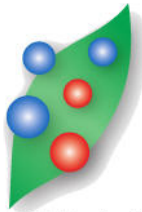


L-R: Pinzon, Spence, Amaya, Crosby & Castillo



Wayne Crosby presents climate change study.





# CO2 Tropical Trees

*CO2 Tropical Trees* is another trade name we use to market tree planting. The program started with the idea that for only \$399 USD we could plant 250 tropical trees that would offset the average annual emissions of a car (12,100 lbs per year) for 10 years. Since our fast growing tree species sequester on average 50 lbs or 22.6 kg per tree per year, this is a socially responsible way for a consumer to minimize their carbon footprint. The program has found appeal, especially in Europe, where people seem to take their responsibility for climate change seriously. If you haven't already done so, please go to our web site and make your car carbon neutral today!

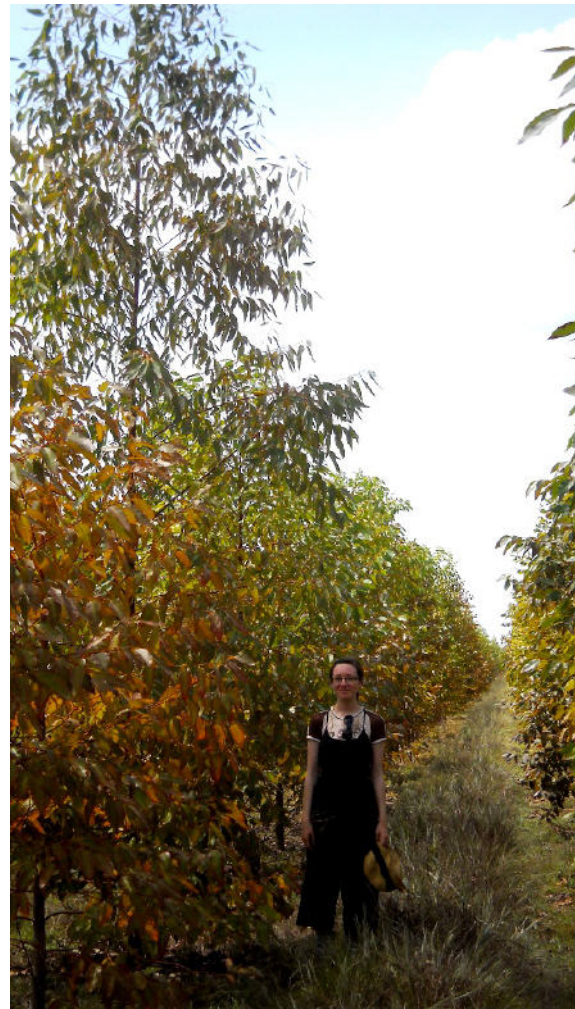
[www.co2tropicaltrees.com](http://www.co2tropicaltrees.com)

Recently we have become the tropical tree planter of choice for a number of small and medium sized businesses. Not only are businesses looking to offset their carbon emissions, but interestingly enough we are also being asked to plant trees by businesses like *Braam's Custom Cabinets*, a firm with showrooms in Oakville and London, Ontario and Birmingham, Michigan. Braam's is planting tropical trees to offset their use of exotic woods in the manufacture of their cabinet products. Other businesses, like *Agrocombustibles de Colombia S.A.* is asking us to plant a percentage of their offsets with native trees to simultaneously boost biodiversity. To find out how your business can fight climate change contact us at the above web site.

## Hardwood Lumber Markets

Despite the recession worries that have dogged the United States and Europe, the demand for tropical hardwood has remained steady. India, China and Japan have been big buyers. In fact, the domestic demand for lumber products has remained steady in Colombia, leading some plantations to not even bother with export markets. Costa Rica, which has extensive forest and plantations can only satisfy 65% of its internal demand, and so is importing lumber from Colombia. The ITTO (*International Tropical Timber Organization*) has been reporting that prices remain steady.

Perhaps the most interesting development in the past year and a half is the advent of laws requiring European, Australian and some Asian power plants to have 15% of their power production using alternative energy sources. Since solar, wind and hydroelectric generation isn't always feasible, world demand for biomass has been exploding. Since our fast growing tropical trees have high *kcal* (BTU) ratings, which are equivalent to coal when compressed into pellets, we anticipate that the biomass market may fetch prices equal to those for cut lumber.



Davia Brown of Alberta in a Eucalyptus plantation.

At *Amazonia Reforestation* we are looking at various spin-off industries which will use our lumber resources for value-added products. Examples are wood pellets and specialized lumber dimensions, such as are required in places like the Japanese market. The fundamentals of the hardwood lumber market continue to be excellent, as Earth's population increases and global annual tree planting is only 10% of what is being harvested. Many international hedge funds are taking forestry positions, as hardwood lumber is considered a very reliable commodity for the long term.



The ins and outs of

# INVESTING IN TROPICAL TREES



Amazonia Reforestation has 2 simple things that offer assurance to our tropical tree owners. The first is how we calculate the return to tree purchasers. Each tree costs \$10 USD and will sell for no less than \$90 USD after 10 years. We assume a worst case scenario of 24% losses, being fire, insects, disease or malformation. That works out to \$22 a tree, leaving \$68. That \$68 is split evenly between us and the tree

purchaser on a joint venture basis. In other words, the tree purchaser receives not only their \$10 capital cost back, but also a \$24 capital gain. We sweeten the deal by adding 20% bonus trees for all purchases over \$400 USD. Bonus trees pay a return of \$24, because there is no capital cost to the tree purchaser. Needless to say the joint venture means we have a large self-interest in success!

The second thing we do is self-insurance. Self-insurance means we plant twice the number of tropical trees for which we have a financial obligation, using different species in different areas of the plantation, so that even if disaster strikes in one area, we are well equipped to meet all of our obligations. Check us out at:

[www.myreforestation.com](http://www.myreforestation.com)

## Tree-Nation, Omacha, Partners and Friends



In January 2011 *La Pedregoza* became a featured plantation in Europe's largest tree-based web portal called **Tree-Nation.com**. There is no cost for joining this social network dedicated to planting trees around the planet. Their CEO, **Maxime Renaudin**, visited the plantation and we have worked closely together ever since. France's spot-image satellite agency donated infrared images to our natural reserve through their **Planet-Action.org** web site. We worked with the Omacha Foundation at **Omacha.org** on a number of projects and are looking forward to many years of collaboration. We would also like to take this opportunity to thank **Adelbert Lazay**, our very first student to complete his internship in tropical forestry at La Pedregoza. Adelbert hails from **Eberswalde University** in Germany and has been an inspiration to all of us!



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