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Cambium Closes on First Acquisition in £15,000,000 Brazilian Forestry Strategy

Jersey - The Directors of Cambium Global Timberland Ltd are pleased to announce they have acquired approximately 2,500 acres of bare-land timber property to establish a eucalyptus plantation for conversion to charcoal for use by the pig iron industry in the region. The initial expenditure to purchase the land was approximately 500,000 sterling with an additional commitment of up to 600,000 sterling required to establish the plantations over the next two years. This acquisition is intended to be the first of several properties to be purchased in this region in support of Cambium's strategy. Cambium intends to deploy £15,000,000 to the strategy and expects to close on additional property in the near future. Cambium will continue to update investors on this progress.

The acquisition highlights Cambium's ability to acquire properties that produce attractive returns for investors while also contributing positively to the environment. First and foremost, the return expectation is consistent with the initial modeling for the South American region.

Secondly, the property will provide two key environmental benefits in addition to being eligible for Forest Stewardship Council Certification. The primary benefit is the emission reduction that comes from using charcoal developed from eucalyptus rather than the mineral charcoal currently dominating the region. Secondly, the reforestation of the property currently used for agriculture will allow Cambium to benefit from the sale of carbon credits. Though not Kyoto compatible, carbon sales are expected to be possible on the Chicago Climate Exchange.

Cambium will establish the plantation on a perpetually sustainable basis using 5-7 year rotations to provide a consistent source of coal to the region's producers. This consistency will allow Cambium to negotiate supply agreements providing pricing and return stability and to improve the long-term cash flow to investors.

The project will be managed on a day to day basis by RMK Timberland Group.

For More Information:

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