Carbon Streaming Announces US$20m Stream in Clean Cookstoves and Safe Water Solutions Portfolio With Community Carbon

written by Raj Shah | May 17, 2022

7 Projects Across 5 African Countries Expected to Deliver 3.5 Million Devices and Avoid 50 Million tCO_2e of Emissions Over 15 Years

May 17, 2022 (Source) – Carbon Streaming Corporation (NEO: **NETZ**) (OTCQB: **OFSTF**) (FSE: **M2Q**) ("**Carbon Streaming**" or the "**Company**") is pleased to announce that it has entered into a US$20.0 million carbon credit streaming agreement ("**Carbon Stream**") with Community Carbon and UpEnergy Group ("**UpEnergy**") to bring fuel-efficient cookstoves and safe water solutions to millions of households in eastern and southern Africa. These vital energy-saving devices will reduce emissions, improve health outcomes, and preserve local environments by protecting forests from illegal charcoal and wood harvesting.

Investment Highlights:

- Carbon credits will be generated from a diversified portfolio of three cookstove and four safe water projects across Uganda, Mozambique, Tanzania, Zambia, and Malawi (individually a "**Project**" and collectively the "**Portfolio**").
- The Portfolio has a goal to reduce approximately 50 million tonnes of CO_2 equivalent ("**tCO_2e**") emissions over

the 15-year life of the Projects and is expected to generate an equivalent number of emissions reductions.

- Emissions reductions generated by the Portfolio will be independently verified under The Gold Standard, and for Tanzania, through Verra.
- The Company will make an upfront cash investment of US$6.5 million on closing, with additional payments of up to US$13.5 million as emissions reduction milestones are met (anticipated to begin in 2023) and as cookstove and water purification units are distributed.
- Under the Carbon Stream, Carbon Streaming expects to receive a portion of the credits generated from the Portfolio's emissions reductions over the 15-year life of the Projects.

Impact Highlights:

- Community Carbon was launched in 2022 by UpEnergy, a social enterprise with headquarters in Kampala, Uganda, focused on making technology that fights climate change and poverty accessible to all while protecting local environments. UpEnergy has successfully operated carbon projects for more than a decade which have resulted in approximately 3 million tonnes of emissions reductions to date.
- Community Carbon's Portfolio is expected to catalyse additional compounding social and economic benefits, through job creation via local manufacturing, avoided wood and fuel costs, and local tree planting.
- The creation of a Community Carbon Fund, funded jointly by Community Carbon and Carbon Streaming, will contribute a percentage of the Portfolio's carbon credit sales revenue to support additional programs, commencing with initiatives dedicated to the education and empowerment of women and girls (who are disproportionately impacted by

climate change) over the lifetime of the transaction. The Community Carbon Fund is set to support its first projects in Q3 2022.

Carbon Streaming Founder and CEO Justin Cochrane stated: “We are proud to partner with Community Carbon for its focus on local impact, and UpEnergy for its impressive track record in making clean cookstoves and water purification devices more accessible to all. These ambitious expansion plans will improve health outcomes and reduce energy poverty for millions of people and significantly reduce GHG emissions.”

Mr. Cochrane continued, “We’re excited to announce our first energy efficiency carbon streams, as financing the deployment of these critical innovations provides healthy diversification to our growing portfolio of high-impact carbon credits from some of the best carbon projects in the world. This venture demonstrates the flexibility and capability of our investment structure in delivering a diversified carbon portfolio at scale.”

“Community Carbon is being launched to achieve widespread distribution of proven energy saving devices like fuel-efficient cookstoves and water purification solutions that reduce devastating logging in African forests. These projects are critical to addressing climate change because a tree that never gets unsustainably cut and burned sequesters the same CO_2 as a newly planted tree, but achieves the climate impact sooner,” said UpEnergy Chairman, Matt Evans. “The distribution of energy saving devices in tandem with additional Community Carbon Fund programs unlocks long-standing local economic development, human health improvements, and better access to education, particularly for women and girls. By purchasing verified emissions reductions that support communities to address health, economic, and social issues, carbon buyers can make vital contributions to greater climate resilience.”

The Portfolio will comprise seven energy-saving projects: cookstove projects in Mozambique, Uganda and Tanzania, and safe water projects in Malawi, Mozambique, Uganda and Zambia. The initiative, which is expected to roll out over the course of the next two years, will commence with the expected delivery of 3.5 million fuel-efficient, cleaner cookstoves and water purification devices to communities across the five countries. The Portfolio has a goal to reduce approximately 50 million tCO_2e emissions over the 15-year life of the Projects and is expected to generate an equivalent number of emissions reductions, which will be independently verified under The Gold Standard, and for Tanzania, through Verra. Under the terms of the Carbon Stream, the Company will make an upfront cash investment of US$6.5 million on closing, with additional payments of up to US$13.5 million as emissions reduction milestones and device distribution thresholds are achieved by the Portfolio. The generation of emission reductions is expected to commence in 2023 and ramp-up as cookstove and water purification units are distributed. The portion of the emission reductions received by, and the economic interest attributable to, Carbon Streaming pursuant to the Carbon Stream is consistent with the Company's other stream investments. Closing of the Carbon Stream is subject to customary conditions with closing anticipated to occur in mid-2022.

About Carbon Streaming

Carbon Streaming is an ESG principled company offering investors exposure to carbon credits, a key instrument used by both governments and corporations to achieve their carbon neutral and net-zero climate goals. Our business model is focused on acquiring, managing and growing a high-quality and diversified portfolio of investments in projects and/or companies that generate or are actively involved, directly or indirectly, with voluntary and/or compliance carbon credits.

The Company invests capital through carbon credit streaming arrangements with project developers and owners to accelerate the creation of carbon offset projects by bringing capital to projects that might not otherwise be developed. Many of these projects have significant social and economic co-benefits in addition to their carbon reduction or removal potential.

With this most recent announcement, the Company has executed carbon credit streaming agreements related to over 10 projects around the globe, including nature-based, biochar, clean cookstove and water filtration projects. Carbon Streaming intends to continue building and diversifying its high-quality portfolio of investments in the near term.

To receive corporate updates via e-mail as soon as they are published, please subscribe here.

About Community Carbon

Community Carbon develops energy-saving solutions in southern and eastern Africa – starting with cleaner cookstoves and safe water filters – that avoid emissions, improve community outcomes, and preserve local environments. Our approach goes further, stimulating additional social and economic benefits by focusing on local manufacturing, reinvesting project revenue to build and deploy more devices in the community, supporting local tree-planting programs, and supporting the education and empowerment of women and girls. Community Carbon combats energy poverty by tapping into carbon markets and the global community's drive to reduce emissions – because together, we can do more. Community Carbon was established in 2022 by UpEnergy. Learn more at https://www.communityco2.org.

About UpEnergy

UpEnergy makes cleaner technology accessible to all. We quantify

the emissions reductions resulting from our products according to rigorous standards such as The Gold Standard and Verra. Our team brings 30+ years of collective experience to the development of emission reduction projects that achieve real local income, social, and environmental benefits. Learn more at https://www.upenergygroup.com/.

Advisories

The references to third party websites and sources contained in this news release (including information with regards to Community Carbon and UpEnergy) are provided for informational purposes and are not to be considered statements of the Company.

Cautionary Statement Regarding Forward-Looking Information

This news release contains certain forward-looking statements and forward-looking information (collectively, “forward-looking information”) within the meaning of applicable securities laws. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future, including, without limitation, statements and figures with respect to the estimation of devices deployed; future carbon credit generation and emissions reductions from the Portfolio; the ability for the Portfolio to be independently verified by The Gold Standard or Verra; the expected benefits associated with the deployment and use of the energy-saving devices; timing to meet additional payment milestones; the use of proceeds from the Carbon Stream; the benefits associated with and timing of first projects for the Community Carbon Fund; timing of generation of emissions reductions; the timing and closing of the transaction; the generation of local community benefits from the Portfolio and the Community Carbon Fund; statements with respect to execution of the Company’s portfolio

and partnership strategy.

When used in this news release, words such as “estimates”, “expects”, “plans”, “anticipates”, “will”, “believes”, “intends” “should”, “could”, “may” and other similar terminology are intended to identify such forward-looking statements. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. They should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. Factors that could cause actual results or events to differ materially from current expectations include, among other things: dependence on key management; limited operating history for the Company’s current strategy; concentration risk; inaccurate estimates of growth strategy, including the ability of the Company to source appropriate opportunities/investments; volatility in prices of carbon credits and demand for carbon credits; general economic, market and business conditions; failure or timing delays for projects to be validated and ultimately developed or greenhouse gases emissions reductions and removals to be verified and carbon credits issued; uncertainties and ongoing market developments surrounding the regulatory framework applied to the verification, and cancellation of carbon credits and the Company’s ability to be, and remain, in compliance; actions by governmental authorities, including changes in or to government regulation, taxation and carbon pricing initiatives; uncertainties surrounding the

ongoing impact of the COVID-19 pandemic; foreign operations and political risks; risks arising from competition and future acquisition activities; due diligence risks, including failure of third parties' reviews, reports and projections to be accurate; global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility; dependence on project developers, operators and owners, including failure by such counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties; failure of projects to generate carbon credits, or natural disasters such as flood or fire which could have a material adverse effect on the ability of any project to generate carbon credits; change in social or political views towards climate change and subsequent changes in corporate or government policies or regulations; operating and capital costs; potential conflicts of interest; unforeseen title defects; the Company's ability to complete proposed acquisitions and the impact of such acquisitions on the Company's business; anticipated future sources of funds to meet working capital requirements; future capital expenditures and contractual commitments; expectations regarding the Company's growth and results of operations; the Company's dividend policy; volatility in the market price of the Company's common shares or warrants; the effect that the issuance of additional securities by the Company could have on the market price of the Company's common shares or warrants; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's Annual Information Form dated as of September 27, 2021 filed on SEDAR at www.sedar.com. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should exercise caution in relying upon forward-looking statements and the Company undertakes no obligation to publicly revise them to reflect

subsequent events or circumstances, except as required by law.

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