



June 6, 2007

Contacts

Radha Kuppalli
Director, New Forests Inc.
M: +1-202-715-1701

Jeffrey Bortniker
CEO, Equator Environmental, LLC
T: +1-212-452-3000

New Forests and Equator Environmental Partner to Grow Investment in Environmental Markets

WASHINGTON, D.C. – New Forests Inc. and Equator Environmental, LLC announce their agreement to cooperate on transactions and investment programs connected with environmental markets. The agreement brings together New Forests’ skills in managing environmental asset investments with Equator’s skills in marketing illiquid environmental product positions, innovative transaction design, derivatives, insurance products and structured finance. The combined capabilities of these two firms will provide institutional investors with a one-stop service provider able to capitalize on early market positions in emerging environmental markets.

“Working with Equator will allow New Forests to leverage its environmental markets know-how with the creativity and experience of a top financial services firm,” says Radha Kuppalli, Director of Washington, D.C.-based New Forests Inc. “Through this first strategic partnership for our U.S. business, we will be able to successfully execute the entire investment process, from developing innovative approaches to sourcing and managing deals in ecological products to creating successful routes to market.”

“The convergence of the financial markets and environmental markets has created an opportunity for our two companies to come together in a manner that will unlock the stranded value of environmental assets,” says Jeffrey Bortniker, CEO of Equator. “The relationship between New Forests and Equator will provide our institutional investor clients with opportunities to participate in investments with low correlation to most traditional asset classes and with the potential for superior returns. It is only by combining the skills and experience of New Forests and Equator that such an asset class can be developed.”

Environmental markets in the United States and abroad continue to mature and are attracting new sources of capital financing for a range of instruments, such as regulatory and voluntary carbon

offsets, wetlands banks, endangered species banks and nutrient trading credits. These markets involve the management of land resources, natural vegetation and forests, key areas for New Forests' international institutional investor client base.

“As the global economy continues to grow, investors and corporations will be increasingly focused on the value of ecosystems as a new asset class – analogous to infrastructure investment,” says David Brand, Managing Director of New Forests, which is headquartered in Sydney, Australia. “We see significant opportunities in the U.S. in both regulated and voluntary environmental markets, and our partnership with Equator will enable us to unlock value through aggregation, increased liquidity and standardized approaches to management.”

New Forests and Equator intend to work together on several initiatives and have begun pursuing activities related to a range of eco product opportunities.

New Forests

New Forests is a forestry asset management and advisory services firm with offices in Washington DC and Sydney. The company's investment thesis is unique in seeking assets that deliver traditional timber returns, as well as returns from emerging environmental markets and preferences, such as certified timber, carbon, biodiversity and water. In addition to world-leading forestry investment expertise in the areas of acquisitions, modelling, operations, silviculture and ecosystem services, New Forests is at the forefront of developing and commercializing environmental products and evaluating opportunities from emerging environmental markets. The company holds an Australian Financial Services License. For more information, please see www.newforests.com.au.

Equator Environmental

Equator Environmental is a project development and asset management company with offices in New York City and Sao Paulo, Brazil. Equator specializes in the generation and management of high-quality carbon credits and other environmental assets derived from reforestation, forest conservation and sustainable land management. Equator brings extensive forestry and environmental investment expertise to the development of innovative, high-yield land management projects and utilizes state-of-the-art financial structuring techniques to maximize asset values and create diversified revenue streams for our clients. For more information, please visit www.equator.net.

**New Forests and Equator provide investment advisory services to a small number of institutional investors only. Neither New Forests nor Equator offers investment advisory services to the public.*