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NEWS RELEASE

CARBON STREAMING ANNOUNCES SUSTAINABLE RICE FARMING STREAM WITH CORE CARBONX

US\$3.3 Million for Improved Rice Cultivation Practices Reducing Methane Emissions, and Water and Energy Consumption

TORONTO, ON, September 30, 2022, Carbon Streaming Corporation (NEO: **NETZ**) (OTCQB: **OFSTF**) (FSE: **M2Q**) ("**Carbon Streaming**" or the "**Company**") is pleased to announce that it has entered into a carbon credit streaming agreement ("**Nalgonda Rice Farming Stream**" or the "**Carbon Stream**") with Core CarbonX Solutions Pvt Ltd. and its services provider, Core CarbonX Solutions Private Limited (collectively, "**Core CarbonX**"), to develop its Nalgonda Rice Farming methane avoidance grouped project located in the Nalgonda District, Telangana State, India (the "**Project**").

The Project enrolls rice farmers in a program to reduce greenhouse gas ("**GHG**") emissions by improving their rice cultivation practices and rewards participants with a portion of the proceeds received through the sale of Verified Carbon Units ("**VCUs**") generated. The improved cultivation practices and resulting GHG emission reductions are achieved through implementing Alternate Wetting and Drying ("**AWD**") and Direct-Seeded Rice ("**DSR**") farming methods.

Streaming Agreement Highlights:

- The Project is expected to generate approximately 2.5 million VCUs over seven years, in a range of approximately 300,000 to 400,000 VCUs annually, and is expected to be independently verified and registered through Verra.
- Carbon Streaming will receive 100% of the VCUs generated by the Project, with ongoing payments to Core CarbonX for each VCU sold.
- Core CarbonX is expected to make its first delivery under the Carbon Stream in the second half of calendar year 2023.
- Carbon Streaming has made an initial upfront deposit of US\$1.55 million on closing, with an additional payment of US\$1.78 million as the Project achieves registration and credit issuance milestones.
- With the Project focused on methane avoidance and strong co-benefits, the Company expects VCUs generated to be sold at a premium to market pricing, which has ranged from approximately US\$6.50/VCU to US\$9/VCU year to date.

- Carbon Streaming expects payback in less than four years assuming current market pricing for agricultural methane avoidance credits.

Impact Highlights:

- The Project focuses on enrolling rice farmers in a program to implement AWD rice cultivation practices and educate them on the benefits of this technique.
- The AWD protocol decreases water consumption by up to 30% and allows for more oxygenation of soil, reducing anaerobic decomposition and methane emissions by up to 50%.
- All emission reductions from the Project are considered methane avoidance, delivering action towards the UN Global Methane Pledge.
- The Project targets six UN Sustainable Development Goals, including Climate Action (13), No Poverty (1), Zero Hunger (2), Decent Work and Economic Growth (8), Responsible Consumption and Production (12), and Partnerships for the Goals (17).

Carbon Streaming Founder and CEO Justin Cochrane stated: “We are delighted to announce our first carbon stream on an agricultural project and partnership with Core CarbonX. This stream continues to diversify our high-quality portfolio by project type and geography.”

Mr. Cochrane continued: “Core CarbonX has been collaborating with organizations and guiding clients successfully for more than a decade on climate mitigation projects and supporting communities to achieve alternative, sustainable sources of income to improve livelihoods.”

“We are excited to collaborate with our new partner, Carbon Streaming, to bring Alternate Water Management Practices (AWD and DSR) to rice fields in the Nalgonda District of Telangana State, India,” said Niroj Mohanty, Managing Director of Core CarbonX. “Carbon Streaming’s innovative climate financing allows us to leverage our considerable expertise to provide enrolled farmers with tools to farm more sustainably and reduce methane emissions.”

Core CarbonX Solutions Private Limited was established in India in 2008 as a climate and sustainability consulting firm, serving clients in more than 10 countries. It has been active in both the voluntary and compliance carbon markets, facilitating the generation of one million carbon credits from renewable energy and nature-based solutions.

For this Project, Core CarbonX is partnering with farmer producer organizations and local universities to educate farmers on the benefits of implementing the AWD and DSR methods, and to provide implementation training. The participating farmers will shift from continuously flooding the fields to the AWD method, and from the transplanting to DSR method. As part of the Project, Core CarbonX will also install field water tubes to monitor the water depth to notify farmers when to irrigate their fields. The conventional rice cultivation practice of continuous flooding requires large amounts of water and also results in methane production through anaerobic decomposition of soil. By converting to the AWD protocol, water usage is expected to decrease up to 30%, resulting in energy conservation from reduced water pumping, and GHG emissions are estimated to decrease by up to 50%.

Pursuant to the project plan, the Project expects to enroll 40,000 hectares (“ha”), with full enrollment anticipated by the end of 2022. The Project is expected to reduce approximately 2.5 million tCO₂e emissions and generate an equivalent number of carbon credits over the seven-year term of the Carbon Stream, in a range of approximately 300,000 to 400,000 VCUs annually commencing in the second half of calendar year 2023. The Company will receive 100% of the VCUs generated by the Project and will have the option to renew the Carbon Stream for up to 14 additional years, upon mutual agreement of the parties. Emission reductions generated by the Project are expected to be independently verified and registered by Verra as Core CarbonX is currently engaging an auditor for validation.

Under the terms of the Nalgonda Rice Farming Stream, the Company has made an initial upfront deposit of US\$1.55 million upon closing. The Company will make an additional milestone payment of US\$1.78 million as the Project achieves various milestones, including reaching enrollment of farmers representing a total of 40,000 ha, Project verification by Verra and credit issuance. Carbon Streaming will also make ongoing delivery payments to Core CarbonX on the sale price for each VCU sold under the Carbon Stream, which is within the range indicated for the Company’s other carbon credit streaming agreements. Proceeds from the Carbon Stream are expected to be used for Project implementation and registration costs.

In partnering with Core CarbonX, the Company is mindful of the passage of the Energy Conservation (Amendment) Bill, 2022 in India, which will ban the export of certain carbon credits until the country meets its climate goals. Following significant analysis, the Company believes that this Bill pertains primarily to the renewable energy sector and is not directed at voluntary carbon credits such as those produced by the Project, which are outside of this sector.

The Company expects VCUs from the Project to be sold at a premium to typical avoidance-based credits pricing due to emission reductions being entirely from methane avoidance as well as the strong co-benefits of the Project. Pricing for other methane avoidance credits ranged from approximately US\$6.50/VCU to US\$9/VCU year to date. Based on these prices, the Company expects to achieve a payback on its capital investment in less than four years.

About Carbon Streaming

[Carbon Streaming](#) aims to finance a net-zero future. We pioneered the use of streaming transactions, a proven and flexible funding model, to scale high-integrity carbon credit projects to accelerate global climate action and advance the United Nations Sustainable Development Goals. This approach aligns our strategic interests with those of project partners to create long-term relationships built on a shared commitment to sustainability and accountability and positions us as a trusted source for buyers seeking high-quality carbon credits.

The Company’s focus is on projects that have a positive impact on the environment, local communities, and biodiversity, in addition to their carbon reduction or removal potential. The Company has carbon credit streams related to over 10 projects around the world, including projects involving nature-based solutions, the distribution of fuel-efficient cookstoves and water filtration devices, sustainable community projects focused on waste avoidance and energy efficiency, and biochar carbon removal.

To receive corporate updates via e-mail, please subscribe [here](#).

About Core CarbonX

Core CarbonX is a climate and sustainability consulting organization that has worked with businesses and communities across a number of Asian and African countries for over 14 years. Core CarbonX uses its

expertise, knowledge, and technology in carbon emission reduction programs to incorporate ideas into sustainable business practices for enterprises, governments, and organizations concerned about climate change.

The diverse portfolio of Core CarbonX's Clean Development Mechanism and Verified Carbon Standard initiatives has helped customers address the uncertainties of climate change while building and maintaining trust, innovating, and paving the road for a more equitable and sustainable future.

For more information visit www.corecarbonx.com.

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The references to third party websites and sources contained in this news release (including information with regard to Core CarbonX) 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, are forward-looking information, including, without limitation, statements and figures with respect to the expected number of future VCU generation and emissions reductions from the Project; estimations related to the Nalgonda Rice Farming Stream payback period; the ability for the Project to be independently verified and registered by Verra; the timing of delivery of VCUs under the Carbon Stream; timing to meet additional payment milestones including the enrollment of farmers and landlords; the anticipated premium pricing for the VCUs; the expected sources of emission reductions generated by the Project; the use of proceeds from the Carbon Stream; expected benefits from using the AWD protocol; the global impact of methane avoidance reduction activities; the expected impact of regulatory developments on the Project; and 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: volatility in prices of carbon credits and demand for carbon credits; change in social or political views towards climate change and subsequent changes in corporate or government policies or regulations and associated changes in demand for carbon credits; limited operating history for the Company's current strategy; risks arising from competition and future acquisition activities; concentration risk; inaccurate estimates of growth strategy, including the ability of the Company to source appropriate opportunities and enter into stream, royalty or other agreements; dependence upon key management; general economic, market and business conditions and global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility; uncertainties and ongoing market developments surrounding the validation and verification requirements of the voluntary and/or compliance markets; failure or timing delays for projects to be registered, validated and ultimately developed and for emission reductions or removals to be verified and carbon credits issued; foreign operations and political risks including actions by governmental authorities, including changes in or to government regulation, taxation and carbon pricing initiatives; due diligence risks, including failure of third parties' reviews, reports and projections to be accurate; dependence on project partners, 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; 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; global health crises, such as pandemics and epidemics, including the ongoing COVID-19 pandemic and the uncertainties surrounding the ongoing impact of the COVID-19 pandemic; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's Annual Information Form dated as of September 26, 2022 filed on SEDAR at www.sedar.com.

Any forward-looking information speaks only as of the date of this news release. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. Except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.