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## NEWS RELEASE

# CARBON STREAMING PROVIDES UPDATE ON RIMBA RAYA PROJECT

## *InfiniteEARTH Announces Validation of Rimba Raya Project under new Indonesian Carbon Regulation*

TORONTO, ON, December 28, 2022, Carbon Streaming Corporation (NEO: **NETZ**) (OTCQB: **OFSTF**) (FSE: **M2Q**) (“**Carbon Streaming**” or the “**Company**”) is pleased to provide an update on the Rimba Raya project (“**Rimba Raya**” or the “**Project**”) in Indonesia. On December 28, 2022, Carbon Streaming’s partner and Rimba Raya project operator InfiniteEARTH Ltd. (“**InfiniteEARTH**”) issued a [press release](#) announcing the validation of Rimba Raya under the new Indonesian carbon regulation, Regulation No. 21 of 2022 (“**Reg 21**”) and with the carbon registry, Sistem Registri Nasional Pengendalian Perubahan Iklim (“**SRN**”). Under Reg 21, all carbon projects in Indonesia must be registered, validated and verified on the SRN carbon registry.

### Highlights:

- Rimba Raya is the first REDD+ carbon project validated under Reg 21, which establishes a framework for domestic and international carbon trading in Indonesia.
- Validation of the Project was limited to an area comprising 36,331 hectares (“**ha**”) under a concession agreement with the Ministry of Environment & Forestry (“**MOEF**”). Additional sections of land are planned to be validated separately.
- Under SRN program regulations, emission reductions for the initial portion of the Rimba Raya project area under this first validation now extend until 2073 and are expected to average approximately 2.7 million tonnes of carbon dioxide equivalent (“**CO<sub>2</sub>e**”) per year according to the validation report.
- Verification of the Project is scheduled to begin in January 2023 and will cover a period from July 1, 2019 to December 31, 2022, for an expected total of approximately 9.8 million carbon credits before any buffer deductions, including requirements for the Nationally Determined Contribution (“**NDC**”) buffers and domestic market use pursuant to Reg 21.
- The validation was independently audited by PT Mutuagung Lestari, an Indonesian testing, inspection and certification company.
- The methodology used for the SRN validation of the Project is adapted from the BioCarbon Fund Initiative for Sustainable Landscapes (“**ISFL**”) Emission Reduction (“**ER**”) Program Requirements Version 2.0\_2021.

“We are encouraged by the progress at Rimba Raya, being the first REDD+ project validated on the SRN under Reg 21. This is an important step in complying with the new regulations set out by Indonesia’s Ministry of Environment & Forestry in October,” said Justin Cochrane, Carbon Streaming Founder and CEO. “We will continue to provide updates to our stakeholders as the Project meets additional milestones under Reg 21 and as further information becomes available.”

The validation documentation for Rimba Raya was submitted to Indonesia’s MOEF on December 20, 2022 and subsequently accepted. [As registered on the SRN](#), Rimba Raya’s carbon accounting area comprises a boundary area of 36,331 ha from which an average of approximately 2.7 million carbon credits per annum are expected to be issued until 2073.

The methodology used for the SRN validation of the Project is adapted from the BioCarbon Fund ISFL ER Program Requirements Version 2.0\_2021. The ISFL is a multilateral facility, supported by donor governments and managed by the World Bank, that promotes and rewards reduced greenhouse gas (“GHG”) emissions and increased sequestration through better land management, including Reduced Emissions from Deforestation and Forest Degradation (REDD+), sustainable agriculture, as well as smarter land use planning and policies. Indonesia is one of the countries supported by the ISFL.

Once the Project is verified, Rimba Raya carbon credits are expected to be issued and tracked by the SRN.

### **About Rimba Raya**

Rimba Raya has been conserving tropical lowland peat swamp forests in Central Kalimantan, Indonesia for over a decade. The area was slated for conversion to palm oil plantations, which would have resulted in the loss of habitat for more than 100 threatened and endangered species, including the Bornean orangutan. InfiniteEARTH has operated the project since its inception in 2009 along with PT Rimba Raya Conservation, its local partner. The Project was also the first to be validated and verified by Verra’s SDVista program, contributing to all 17 United Nations Sustainable Development Goals (“SDGs”).

### **About Reg 21**

In October 2022, the MOEF issued Reg 21 regarding Implementation Procedures of Carbon Economic Value, which sets out a framework for domestic and international carbon trading in Indonesia. Under Reg 21, all carbon projects in Indonesia must be registered, validated and verified on the SRN, Indonesia’s domestic carbon registry. In addition, between 10% and 20% of any carbon credit issuance for foreign GHG emission offsets may be withheld by the SRN to meet Indonesia’s NDC as part of the country’s Paris Agreement commitment, where such withheld carbon credits may be released upon the applicable sub-sector’s NDC targets being met. A further 5% of carbon credits are also expected to be retained for domestic GHG emission offsets in Indonesia.

Reg 21 represents progress in setting out the framework for domestic and international carbon trading in Indonesia and the Company awaits the release of further NDC regulations and implementation regulations to fully understand their impact on the Company’s Rimba Raya stream, including volume of carbon credit deliveries and timing of international sales of carbon credits. The Company will continue to update stakeholders as the Project meets additional milestones under this regulation.

### **About Carbon Streaming**

[Carbon Streaming](#) aims to accelerate 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 advance global climate action and additional 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 and royalties related to over 20 projects around the world, including projects involving nature-based solutions, the distribution of fuel-efficient cookstoves and water filtration devices, waste avoidance and energy efficiency, agricultural methane avoidance and biochar carbon removal.

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

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**Advisories**

The references to third party websites and sources contained in this news release (including information with regard to InfiniteEARTH press releases and the SRN website) 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 regarding the validation of additional Project land; timing and the amount of future carbon credit generation and emission reductions from the Rimba Raya stream; the timing and scope of verification of the Project; timing and the amount of future carbon credit issuances from the first verification and the Project and potential timing of domestic and international sales of such issued carbon credits; the impact of Indonesian regulatory developments and NDC targets on the Project and the Rimba Raya stream; 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](http://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.