



GAZPROM MARKETING & TRADING AND INFINITEEARTH ANNOUNCE THE APPROVAL OF WORLD'S FIRST REDD METHODOLOGY UNDER THE VOLUNTARY CARBON STANDARD PROGRAMME

Highlights

- *The first ever approved methodology for the reduction of emissions from deforestation and degradation (REDD)*
- *A game changer in forest conservation and the associated mitigation of global climate change*
- *Strong potential to economically incentivise the reduction of deforestation in local communities, benefitting all inhabitants and the environment*
- *Global companies gain a viable return on investment through carbon credits, which provide both a sustainable investment for the investor and a solid return for local communities*
- *Open source methodology is an important step to provide a way for deforestation projects worldwide to enter the market – entirely repeatable process*

London, 23 August 2010 - Gazprom Marketing & Trading (GM&T) and InfiniteEARTH are pleased to announce the approval of the first ever methodology for the reduction of emissions from deforestation and degradation (REDD) under the Voluntary Carbon Standard programme, the leading international standard for voluntary emission reduction credits. This is seen as a landmark moment for the carbon market. Historically REDD projects have suffered due to their exclusion from the Kyoto Protocol and the absence of an approved third party audited quantitative methodology under a recognised global standard.

The methodology – successfully approved by two independent auditors, the Rainforest Alliance and Bureau Veritas Certification under VCS's methodology approval process – was developed by InfiniteEARTH and written by Winrock International with funding provided by GM&T and the Clinton Foundation.

The methodology was designed for conservation projects that avoid planned land-use conversion in tropical peat swamp forests in Southeast Asia. InfiniteEARTH is currently applying the methodology to its first project, the Rimba Raya Biodiversity Reserve on the

island of Borneo in Central Kalimantan, Indonesia. The project is now undergoing third party validation and is positioned to become the world's first VCS approved REDD project later this year.

The Rimba Raya project is comprised of nearly 100,000 hectares of high conservation value tropical peat swamp forest and wetlands and forms a critical buffer to the Tanjung Puting National Park, an area that was under imminent threat of conversion by encroaching palm oil plantations. The conversion of peat swamp forests, in addition to releasing millions of tonnes of carbon dioxide, would destroy the habitat of a wide range of flora and fauna, including the endangered Bornean orangutan.

In addition to the Rimba Raya project this validation should now pave the way for additional REDD projects worldwide that can utilise this open source methodology.

Keith Martin – the Commercial Director of Gazprom Marketing & Trading, commented *“The approval of a methodology like this has real potential to be a game changer in forest conservation and the associated mitigation of global climate change. For too long, a lack of consensus on quantification of emissions reductions from project based REDD has hampered action from the ground up.*

Now, between the Clinton Foundation, Winrock, Rainforest Alliance, BV and the organisations that sit on the VCS panels, you have a who's who of experts agreeing on a robust method of accounting for emission reductions. With these tools now available, the gauntlet is thrown down to the negotiators at Cancun to now come up with the necessary legislative and regulatory frameworks to promote wide spread action from the community level up.”

Birute Galdikas, President of Orangutan Foundation International (OFI) stated *“Rimba Raya will provide a safe area for the release of more than 300 rehabilitated orangutans that OFI currently has at its care centre and provide a much needed physical buffer to the Tanjung Puting National Park where Camp Leakey is located. Additionally, this project will provide an economically sustainable solution to ongoing orangutan conservation. It couldn't have come at a better time - we were running out of options.”*

“For too long this issue has languished exclusively in the halls of academic debate. Though this is only the first step in the long journey to saving the world's diminishing bio-diverse rainforests, the successful double validation of this methodology gives the world a tool that allows us to shift into action – before it's too late.”, said **Todd Lemons, Chairman & CEO of InfiniteEARTH Limited**.

“This is a major milestone – not just for forests but for the climate. This methodology has gone through a rigorous review and its approval means the carbon market can now help protect forests worldwide, which we know is necessary to stop climate change. The bottom line is this approval opens the door for more on-the-ground action to curb climate change – at a time when we desperately need action to point the way forward,” said **David Antonioli, CEO of the Voluntary Carbon Standard Association**.

“This innovative methodology was developed to be both scientifically rigorous as well as practical for project developers to implement. Hopefully this first methodology will provide

an example and a lead for the development of other methodologies and projects in the REDD sector,” said **Winrock International’s Dr. Nancy Harris.**

Details regarding the Rimba Raya REDD project and the methodology can be found at <http://www.gazprom-mt.com/ourbusiness/carbon.asp>

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About the Rimba Raya Conservation Project

Indonesia has the 3rd largest area of tropical rainforests on Earth. However, 25,000 square km of these bio-diverse forests is destroyed annually, mainly in order to convert the land into palm plantations. These forests are home to large populations of wildlife and many indigenous communities depend on the forests. From an environmental point of view, the effect of the destruction of the forests is exacerbated by the fact that a lot of this land is tropical peat swamp forest, which contains the highest concentrations of carbon in the world. While Indonesia’s peatlands represent 0.1% of Earth’s land mass, their degradation and burning is responsible for a massive 4% of the world’s annual greenhouse gas emissions.

The Rimba Raya Biodiversity Reserve Project will protect over 90,000 hectares of highly biodiverse project management zone, which would otherwise be converted into palm oil plantations by logging, scorching, and systematic draining of the peatland area. The project will protect 361 species of birds, 122 species of mammals, and 180 species of trees and woody plants that a recent study found to be likely present in the project area. In the absence of the project, the natural habitat of all these species would have been destroyed and 14 local forest communities along the eastern edge of the reserve would also face the threat of their land being appropriated by palm oil companies.

Among the 9 primate species that are likely to inhabit the forests in the project are the Bornean orangutans, whose populations have declined by 95% in the last century. Other primates include the endangered proboscis monkey and agile gibbon. More than half of all mammals occurring in Borneo are likely present on the project area including the more common sun bear, barking deer, bearded pig, the endangered Borneo Bay cat and hairy-nosed otter. Out of 361 species of birds that are likely to live in the project area, 156 species are of national and/or international conservation significance. 54 species are listed by the IUCN as Threatened or Near threatened with global extinction, including the Endangered

Storm's Stork (*Ciconia stormi*) which is considered one of the twenty most endangered bird species in the world.

The implementation of the Rimba Raya Biodiversity Reserve Project will also have a beneficial impact on the lives and wellbeing of over 11,000 local people by improving the education, economics and health care through the direct financing of initiatives and microfinance.

On a larger scale, the project will provide a sustainable business model for avoided deforestation projects that others can emulate. The methodology that was designed for the Rimba Raya project will be the first ever methodology to be approved by the VCS to quantitatively assess emissions reductions from an avoided deforestation project. The Rimba Raya project will likely become the world's first VCS REDD project, paving the way for other avoided deforestation projects.

About Gazprom Marketing & Trading

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