Together, we can take action on climate change

When we all work together we can do amazing things. We can even change what's happening on our planet. It's true that greenhouse gases trapped in our atmosphere are altering climate patterns and disturbing a delicate ecological balance. But it's also true that we can change this: we can start to protect our environment now so we'll have a positive impact on tomorrow. There are ways, big and small, that companies and individuals can make a measurable difference.

OFFSETTERS

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Assess, reduce and offset

Offsetters is Canada's leading carbon management provider for individuals and organizations wanting to reduce their climate impact.

We help these individuals and companies understand, reduce, and offset their climate impact. At the same time, we develop and invest in high-quality offset projects that promote the adoption of next generation clean technology. When you decide to make a difference, you help us to make a difference.

When you engage in an activity that emits greenhouse gas, you can offset that emission by purchasing a carbon offset – a emission reduction credit – from another organization's project. While your emission has still occurred, your offset has enabled a reduction of greenhouse gases elsewhere.

If you understand the carbon price tag of your individual and business activities (like knowing your contribution alone on a flight from Vancouver to Toronto is 1.3 tonnes of CO2), then you can take steps to avoid the activity (by teleconferencing) or take responsibility for it by offsetting (the equivalent offset cost for that flight would be $27, invested in a new, clean energy project).

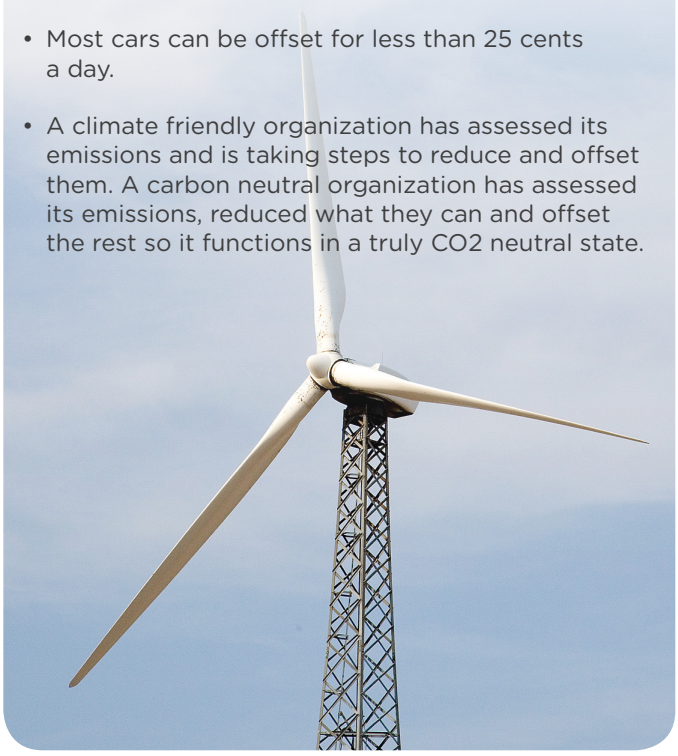
Measurable progress

The carbon offset projects that you invest in with Offsetters are truly different, and truly effect change. We can prove it.

Every Offsetters project is validated and verified by qualified third parties to be:

1. Real. Independent experts verify that each of our projects takes place as promised.
2. Additional. Your Offsetters investments lead to reductions in total greenhouse gas emissions because they enable projects that would otherwise not take place.
3. Permanent. The carbon reductions of our projects are permanent reductions. We avoid reforestation and other projects that may only temporarily store carbon.
4. Socially beneficial. Offsetters' projects bring social and local environmental benefits as well as climate gains.

- Each individual in North America emits around 5 tonnes of carbon dioxide each year from their day-to-day activities.
- Most cars can be offset for less than 25 cents a day.
- A climate friendly organization has assessed its emissions and is taking steps to reduce and offset them. A carbon neutral organization has assessed its emissions, reduced what they can and offset the rest so it functions in a truly CO2 neutral state.



Reducing your carbon footprint

As an individual, and as a company, you can take real action towards becoming carbon neutral. We're here to help with a wide range of carbon offset products and services for you and your business, like:

- Greenhouse gas inventories
- Customized carbon management strategies to track and reduce corporate emissions, and options to offset the remainder
- High quality carbon offset projects and credits
- Special event offset packages for your conferences, trade shows, and other events
- Cross-promotional programs to help you add climate-friendly options to your product and service lines
- Web-based emissions calculators and offset purchase services for air travel, vehicle travel and lifestyle emissions. Try ours at offsetters.ca
- Bulk, individual and gift certificate carbon offset purchase services

The Offsetters Team

Offsetters was founded in 2005 by Drs. James Tansey and Hadi Dowlatabadi, both professors at the University of British Columbia who specialize in business, the environment and climate change when they saw a need for a local, high quality source of carbon offsets. Today, we have a staff of 25 with a broad range of expertise from experts in greenhouse gas measurement, engineering to social sciences to marketing.

Dr. James Tansey (President and Co-founder) is an Associate Professor at the University of British Columbia Sauder School of Business. James' research activities cover a number of areas including social enterprise, climate change, and the social impacts and acceptability of new technologies. His current research focuses on emerging international markets for carbon exchange, social determinants of health in developed countries and the governance of biotechnology and genomics in Canada. James cofounded the Center for Sustainability and Social Innovation at UBC.

Morgan McDonald (Vice President, Research & Development) joined Offsetters after eight years with Taylor Munro Energy Systems, one of Canada's leading solar water heating companies where he was responsible for modeling, designing, and managing the installation of renewable energy systems for a variety of applications. Morgan is also a founding director of the B.C. Sustainable Energy Association (BCSEA) and an active volunteer with a variety of organizations to promote design innovation, community-based action, and public awareness of sustainable technologies and ecological benefits.

Paul Stewart (Vice President, Business Development) joined us in 2008 and is one of the most experienced greenhouse gas accounting and reporting experts in Canada. He has completed GHG inventories with over sixty companies across North America, including Weetabix North America, Kamehameha School District (Hawaii), BC Minstry of Tourism and Ledcor's Civil, Mining and Infrastructure division. Prior to this Paul had over 14 years experience pioneering financing systems in emerging industries while working for American and Canadian banks.

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Kari Grist (Vice President Marketing & Business Development) Kari is a senior marketing executive with over 20 years of strategic marketing and brand management experience. Kari joined Offsetters in late 2008 after 6 years with Vancity, Canada's largest credit union, the first financial institution in North America to be carbon neutral. Under Kari's leadership Vancity earned numerous national and international marketing awards and was highlighted in Ikonica, a book that looks at the top 25 brands in Canada. Kari also brings over 18 years of marketing experience in the airline industry with both Wardair and Canadian Airlines where she held a number of marketing roles.

Some of our client and partner programs

Along with thousands of individuals using our website to offset thier lifestyle, vechicle, and flight emissions, some of our corporate partners include:

Groupe Aeroplan – a loyalty industry leader with global reach committed to working towards reducing climate impact.

Harbour Air – North America's first fully carbon neutral airline.

Vancity Credit Union – Canada's largest credit union and the first North American based financial institution to be carbon neutral.

Hemlock Printers – Canada's first carbon neutral printer.

Ledcor Group of Companies – a leading collection of construction companies, specializing in building, civil, industrial and telecommunication projects is working with Offsetters to identify clean technologies that can be applied in the construction industry.

Pacific Carbon Trust – a BC Crown Corporation, that will ensure the BC Government meets its commitment to be carbon neutral by 2010.

Rethink Communications – a leading branding and communications agency working to reduce it's footprint.

GROUPE AEROPLAN · HARBOUR AIR SEAPLANES · Hemlock · THE LEDCOR GROUP OF COMPANIES · Pacific Carbon Trust · RETHINK · Vancity

We have also helped a range of special events, conferences and tradeshows become climate friendly including our role as the first ever Official Supplier of Carbon Offsets in the history of the Olympic Games.

We are also proud to be a sponsor of GLOBE 2010, one of the world's largest and longest-running events dedicated to the business of the environment.

And Offsetters has worked with over 100 other clients and partners from all industry sectors.

Making a real difference

When you decide to offset, you want to make sure your offset purchases are effecting real change. From the very beginning, we've set our bar high by focusing, and differentiating, on quality:

- The quality of our offset projects. All our projects result in real, additional, and permanent reductions in CO2 emissions, plus have strong additional, social and environmental benefits.
- The quality of our emissions calculation and reporting services. We use best-in-sector methodologies to help our clients develop baselines, set true and attainable reduction targets, and report reliably and credibly to their stakeholders.

At first we offered consumers carbon offsets that we purchased from trusted international projects. Soon our business grew to include forward-thinking organizations as well as individuals, and we drew on our team's expertise to develop our own offset projects in Canada. We now provide offsets through a combination of Offsetters projects across Canada and reputable third party projects around the world.

By the end of 2009 Offsetters projects had prevented the emission of over 100,000 tonnes of carbon dioxide equivalents into the atmosphere. By 2012 we project this figure to grow to 1,000,000 tonnes of prevented emissions. And you can help us do more.

Focusing on renewable energy and energy efficiency

We have over 40 projects in various phases of development, and we have more on the drawing board for 2010. A few renewable energy and energy efficiency projects that have happened with our involvement include:

Fuel Switching and Energy Efficiency in Greenhouses

Starting with a single facility in Aldergrove, British Columbia, we're working with numerous greenhouse operators across BC to install biomass boilers and energy trapping curtains to reduce their reliance on natural gas. These installations aren't common practice, and now they will significantly reduce GHG emissions and become a model for energy innovation and a switch to a lower carbon future.

Ground-source heat pump (GSHP) Installations

Offsets helped pay for the cost of installing ground-source heat pumps at five residential and community-based facilities. GSHPs use the renewable heat that is stored below the earth's surface and convert this heat into usable energy, preventing CO2e emissions. In addition to the climate benefit, the GSHP system cuts operating expenses and exposure to rising energy prices for these important community organizations. Plus they promote the shift to a low carbon future.

Gold Standard Renewable Energy Projects

To date, all of our international investments have been made in collaboration with other offset providers. Our team sources high quality credits from international Gold Standard or Voluntary Carbon Standard projects around the world. Some of the international VCS and GS credits we offer include a wind farm in Turkey, an efficient wood cook stoves project in Uganda with other projects in China, India, Brazil and beyond. This clean energy will displace electricity generated from conventional thermal power stations based on fossil fuels, and would not have been feasable without offset funds. To learn more about our international projects, visit **www.offsetters.ca**

What about forestry offsets?

Another thing that sets Offsetters apart is that we don't invest in reforestation. Forest ecosystems are tremendously complex, with a significant lag time between emissions today and the time in which a tree is expected to soak up the equivalent amount of carbon. A lot can happen to a tree in 30 to 80 years, including falling victim to fire, disease and changing land use patterns. And planting trees does nothing to address our fossil fuel dependence – the root cause of the climate change crisis.

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Meeting international standards

It's important that all our projects, at home and abroad, meet a high standard of offset delivery. A number of certification standards are either in development or have been recently released, and we're proud to have had input into the development of these standards – directly in the case of the Voluntary Carbon Standard and indirectly in the case of the Carnegie Mellon calculation methodologies required by the Eco-Logo standard.

While Canadian projects are not eligible for Gold Standard certification (as GS certification is only for projects in developing countries), our domestic projects are developed to the Voluntary Standard or the BC Emissions Offset Regulation. Domestic projects we've developed prior to these standards also meet these best in class requirements. In particular, our projects meet the Gold Standard additionality criteria of the UN Framework Convention on Climate Change (UNFCCC).

Third party validation and verification

We receive third-party validation and verification for our domestic projects from leading experts in this field. These projects are assessed against the ISO 14064 Part 2 standard. All current projects meet the following additionally tests: Technology (not a mainstream, readily available technology), Investment (not currently commercially attractive relative to conventional systems), Common Practice (not a standard application at present), and Timing (the projects were installed post-2001).

Offsetters and the Markit Registry

There is a functioning carbon credit registry for Canadian projects, and we're proud to be there first. Offsetters became the first Canadian company to be register its projects with the Markit Registry (formerly TZ1). This important achievement for the Offsetters team helps assure our clients that you are purchasing real credits that have not been previously sold or retired.

Markit is an environmental commodities markets infrastructure provider that offers registry service, providing critical market capability and a common standard of measurement to project developers, buyers and the investors in emerging markets.

Offsetters is delighted to offer this level of security and transparency to our clients and partners. Now you can access full end-to-end service from us, including credit ownership transfer and retirement.

The added benefits of your carbon offsetting

In addition to clear climate benefits, all our projects place a strong emphasis on social and environmental benefits for the immediate community.

Many of our domestic projects focus on installing more efficient energy systems for affordable housing and community facilities. This helps reduce utility costs and improve living standards, plus it delivers non-conventional technology into communities that otherwise wouldn't have access to it.

Our greenhouse projects make local food production less energy intensive and therefore cost-competitive compared to imported foods. Food security is a growing issue, and we believe that offset investments will help meet the challenge to Canada's ability to feed itself with healthy and sustainable food products.

Reducing the amount of coal used has other benefits too. Less habitat is disturbed through the mining process, and less combustion means less mercury and other toxic pollutants are released into the atmosphere.

Supporting climate and social well-being in Canada and around the world

Offsetters' funds contribute to projects throughout Canada and around the world. Our projects include both self-managed projects and projects sourced through reputable third parties. We have developed or supported projects located in Canada, Uganda, India, China, New Zealand, Brazil, Thailand, and Turkey.

Because offset projects often have benefits for the region in which the project takes place, you may be looking for international credits which contribute to sustainable development abroad, or you may prefer domestic projects, so these benefits stay closer to your home. It's your choice.

When you're ready to take the first step, choose well

There are some principles that all reputable offset providers adopt. Once you've decided to make a change and offset your CO2 emissions, make sure you find the right offset provider. Find out if your offset provider:

1. Calculates the emissions of projects in accordance with international standards
2. Has third party validation and verification for each project to deliver the stated amount of carbon reductions
3. Is transparent about project type, size, amount of credits etc.
4. Has an internal or external registry for tracking and retiring credits, which should be transparent to consumers
5. Has several projects and/or several project types (this allows for protection against the failure of any individual project)
6. Has reputable clients. Ask anyone you consider an expert, and don't be afraid to pick up the phone and call the offset provider if you have more questions.

Thank you for reading through and finding out about what you can do to measure, reduce and offset your personal and business emissions. We need your help to protect our planet and we welcome the opportunity to work more closely with you to make that difference.

For more information or to get started, talk to any of us on the Offsetters team **(604.699.2650)**, or visit us at **offsetters.ca**.

Project Profile: Sunselect Produce Limited

Carbon offset funds enabled the greenhouse operator to switch from a natural gas to a biomass boiler to meet the heating needs of an existing commercial greenhouse producing fruits and vegetables. Use of the biomass boiler and heat trapping curtains for most of the facility's heat requirements reduces annual operating emissions by 7,500 tCO2e relative to the natural gas baseline.

HOW IT WORKS

A biomass boiler burns solid fuels such as wood waste. The heat produced circulates through the boiler tubes raising the water temperature and heating the greenhouse. This process releases no more CO2e into the air than would be released when the plant decomposes naturally. Because the biomass is collected from existing waste streams and displaces new consumption of natural gas, the displaced gas consumption constitutes an additional emissions reduction.

WHY THIS PROJECT WAS CHOSEN

Without offset funds the financial payback for this installation would not have been viable and the greenhouse would have continued to use a conventional natural gas heating system. The installation is not common practice and yields savings in GHG emissions from standard practice. This also stands as a model for energy innovation and a switch to a lower carbon future.

OTHER BENEFITS OF THE INSTALLATION

Beyond the direct climate benefits, this installation helps to overcome the primary threat to a viable local food sector in British Columbia: the high level of fossil fuel input generally required for growing food in Canada's cold climate. In addition to the direct emissions reductions on site, we believe that this project makes local food production more viable, boosting the regional economy and reducing the need to import food from far away.

PROJECT AT A GLANCE	
Project Location:	Aldergrove, BC Canada
Project Type:	Energy Efficiency
Credits generated per year:	~7,500 tCO2e
Verifier:	Williams Engineering Inc.

Project Profile: Uganda Efficient Wood Cook Stoves

Carbon offset funds enabled the dissemination of efficient wood burning cook stoves to institutions and families in and around Kampala, Uganda.

HOW IT WORKS

More than 95% of Ugandans rely on fuel wood for cooking, typically charcoal or wood for urban households and wood for those in rural areas. The current stoves used for cooking have low efficiencies, increasing the amount of fuel wood required to prepare a meal. These new stoves use a proven "rocket" technology that consists of an insulated elbow-jointed combustion chamber that increases combustion efficiency and retains heat while raising the cooking pot to the hottest point above the flame. The rocket stove further increases heat transfer by having the cooking pot rest within a skirt.

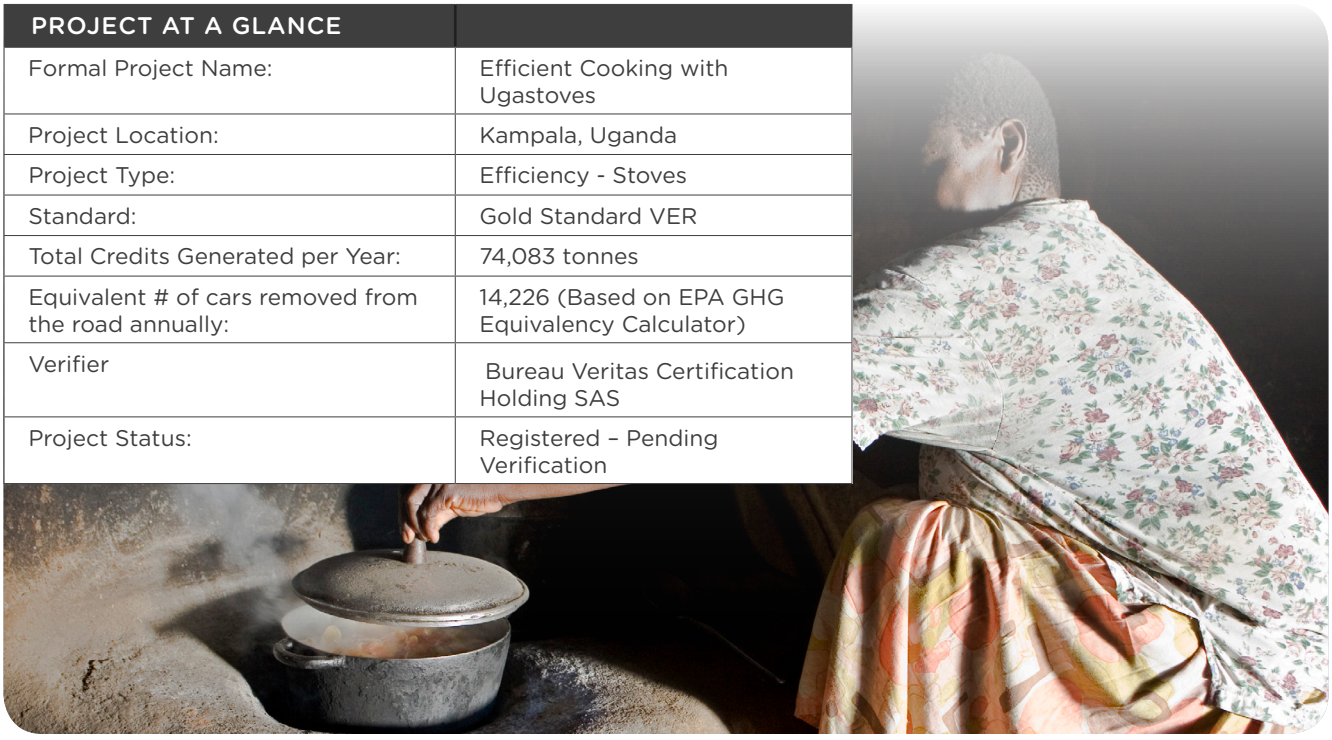
CARBON OFFSETS MADE IT HAPPEN

Without offset funds this project would not have been viable. The new stove is too expensive for most families and institutions. However, the traditional and cheaper stoves found within the market have much lower efficiencies. The aim of the project is to reduce the stove price to an affordable level, to promote it for widespread dissemination and to improve the technology through continuous research and development. Field tests have shown this new stove to reduce fuel wood consumption by more than 50% when compared to the traditional technology.

OTHER BENEFITS OF THE INSTALLATION

Particulate matter (in addition to greenhouse gas emissions) are released into the atmosphere during fuel wood burning leading to indoor air pollution. UN studies show that worldwide indoor air pollution from cooking stoves causes around 1.5 million premature deaths per year while causing debilitating illness for tens of millions more.

PROJECT AT A GLANCE	
Formal Project Name:	Efficient Cooking with Ugastoves
Project Location:	Kampala, Uganda
Project Type:	Efficiency - Stoves
Standard:	Gold Standard VER
Total Credits Generated per Year:	74,083 tonnes
Equivalent # of cars removed from the road annually:	14,226 (Based on EPA GHG Equivalency Calculator)
Verifier	Bureau Veritas Certification Holding SAS
Project Status:	Registered – Pending Verification



Project Profile: Luara Ceramic Fuel Switching Project, Brazil

Carbon offset funds enabled the ceramic plant to switch from using local native firewood to using biomass to heat the plant's kilns and cook its ceramic materials. Complete substitution of unsustainably harvested wood with waste biomass as fuel for the kilns reduced annual operating emissions by approximately 10,000 tCO2e relative to the baseline.

HOW IT WORKS

The ceramic production process works by using mechanical burners to automatically inject biomass with air inside the kilns. The heat produced from this process then cooks the ceramic materials. Biomass, such as sawdust, sugar cane bagasse, wood chips, coconut husk and bamboo is put to effective use instead of being discarded to anaerobically decay in local landfills, where it would normally emit significant levels of greenhouse gas to the atmosphere.

WHY THIS PROJECT WAS CHOSEN

Without offset funds, the financial payback for this installation would not have been viable and the ceramic plant would have continued to use a conventional wood heating system. The installation is not common practice and yields savings in GHG emissions from standard practice. This project also prevented the use of native wood as fuel and contributed to solving the larger problem related to the deforestation of the local forest.

OTHER BENEFITS OF THE INSTALLATION

Beyond the direct climate benefits, this installation helps to increase job opportunities in the local community and contributes directly to the conservation of the local forest through the use of renewable biomass. We believe that this project diversifies and improves sources for thermal energy generation and, by using clean and efficient technologies, promotes the preservation of natural resources in Brazil. This project acts as a pioneer in demonstrating the viability of innovative technology practices in the ceramic sector.

PROJECT AT A GLANCE	
Project Location:	Panorama, Brazil
Project Type:	Fuel Switching
Standard:	VCS / Social Carbon
Credits generated per year:	~10,000 tCO2e
Equivalent # of cars removed from the road annually:	1,655 (Based on EPA GHG Equivalency Calculator)
Verifier:	TÜV Nord and Social Carbon
Project Start:	March 2006
Technical Longevity:	N/A