



MEDIA RELEASE

New Forests acquires McCloud Forest in California

Opportunity to add significant value through carbon sequestration and other environmental benefits

SYDNEY/SAN FRANCISCO – 22 June 2023: New Forests, a global investment manager of nature-based real assets, is today announcing the acquisition of McCloud Forest, an almost 19,000-acre (7,654 hectare) asset in the Mount Shasta region of California.

It is the first asset acquired by New Forests' Forest Climate Solutions Fund (FCS) which focuses on combining returns from timber alongside carbon credits developed and sold in the California-regulated carbon market.

McCloud Forest consists of mixed conifers including true fir, Douglas fir, and ponderosa pine, and New Forests believes has significant opportunities for timber revenue combined with the potential for integrating a carbon project.

New Forests forecasts the McCloud asset should generate significant income from the development of a carbon offset project under the California ARB compliance protocol. This income, combined with the ongoing management of the asset for timber production, is expected to provide attractive returns.

Over time, New Forests expects to adjust the harvest activities across this asset to improve forest cover, enhance forest health and resiliency, and improve wildlife habitat. New Forests will also look at environmental opportunities such as conservation easements and valuation of ecosystem services to further achieve positive environmental outcomes alongside financial return.

Jeff Briggs, Managing Director, New Forests United States said, "The McCloud Forest is a quality asset with solid returns from timber revenue and the potential upside from carbon and other ecosystem values. We will be applying our sustainability approach to this asset, and over time intend to adjust harvest activities to allow trees to grow for longer, capture more carbon, and process a higher percentage of the wood into more sustainable solid wood products."

The McCloud Forest sits adjacent to two other investments managed by New Forests, providing economies of scale, local knowledge, and access to already established domestic processing facilities.

New Forests was one of the first forestry companies to develop carbon credits through California's cap-and-trade system and to date has developed over 20 million¹ forest carbon offset credits.

Ends

About New Forests

New Forests is a global investment manager of nature-based real assets and natural capital strategies, with AUD 10.73 billion (USD 7.3 billion) in assets under management across more than 1.2 million hectares (3.14 million acres) of investments. We manage a diversified portfolio of sustainable

¹ Source: New Forests and California Air Resources Board

timber plantations and conservation areas, carbon and conservation finance projects, agriculture, timber processing and infrastructure. We aim to generate shared prosperity for our clients and the communities in which we operate and accelerate the transition to a sustainable future.

New Forests' vision is to see investment in land use and forestry as central to the transition to a sustainable future. To achieve this vision, New Forests' investment strategies support the role of forests as nature-based solutions, provide sustainable wood fibre for the growing circular bioeconomy, and contribute to the sustainable development of regional economies and rural communities.

Headquartered in Sydney, New Forests is a Certified B Corp and operates in Australia, New Zealand, Southeast Asia, Africa and the United States. For more information, please visit: www.newforests.com

Lauren Stewart
Head of Communications
New Forests
lstewart@newforests.com.au
+61437 800 340