SHARE PURCHASE AGREEMENT

BETWEEN

FOREST CARBON GROUP AG

AND

ERA CARBON OFFSETS LTD.

January 28, 2010

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SHARE PURCHASE AGREEMENT

This Share Purchase Agreement (this "**Agreement**") is made and entered into as of January 28, 2010 ("date hereof") by and between ERA Carbon Offsets Ltd., a British Columbia corporation (the "**Company**") and Forest Carbon Group AG, a Federal Republic of Germany corporation (the "**Investor**").

WHEREAS, the Company desires to sell to the Investor, and the Investor desires to purchase from the Company 7,360,000 common shares in the capital of the Company ("**Shares**"), which will represent approximately 30% of the Company's issued and outstanding Shares (non-diluted) after such purchase, and the Investor will also thereby acquire a pre-emptive right to maintain such percentage interest in connection with the Company's subsequently allotted and issued Shares, subject to certain exceptions herein described;

NOW THEREFORE, in consideration of the foregoing recitals and the representations, warranties, covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. PURCHASE AND SALE OF SHARES

On the Closing Date (as defined in Section 3), the Investor will purchase and pay for and the Company will sell and issue 7,360,000 Shares (**the "Purchased Shares"**) at a price of Cdn$0.75 per Share in a single tranche of $5,520,000. (the "**Purchase Price**"). The Investor will 1) wire to the Company or to Investor's counsel Lang Michener LLP in trust, the Purchase Price as contemplated by section 4.2 of this Agreement for payment against delivery to the Investor at the Closing (as defined in Section 3) of a single original share certificate, and 2) forthwith on execution hereof complete, execute and notarize where necessary, the current TSX Venture Exchange ("**TSXV**") forms 2A (Personal Information Form) and 4C (Corporate Placee Registration Form) in connection with the Purchased Shares and director appointment rights contained in section 6(a). In addition to the original Share certificate, the Company will also deliver, or have already delivered, the additional Closing delivery documents described in section 4.1 to be delivered by the Company.

2. PRE-EMPTIVE RIGHT

Subject to and concurrently with the Closing the Company hereby grants to the Investor until the earlier of: (A) five years following Closing; and (B) the date the Investor no longer owns at least 20% of the issued and outstanding Shares on a non-diluted basis, a pre-emptive right to purchase up to 30% (subject to adjustment in accordance with section 2(iv) below) of any New Shares and Share Rights (as both are defined below) that the Company may from time to time after Closing issue so as to enable the Investor over time to maintain the percentage ownership of Shares held at Closing, on a non-diluted basis. Such pre-emptive right (the "**Pre-Emptive Right**") shall operate as follows:

(i) "**New Shares**" means any Shares or Share Rights (as defined below) which are allotted or issued by the Company for any reason after the date hereof; provided, however, that "New Shares" will not include: (A) Shares issuable upon conversion of, or with respect to, convertible securities outstanding as of the date hereof; (B) Shares issued pursuant to the acquisition of forest or related offset property interests or the acquisition of another carbon offsets corporation by the Company by merger, purchase of substantially all of the assets, or other reorganization provided that the Investor's nominee(s) to the Company's Board of directors have approved the acquisition; (C) Shares issued pursuant to compensation plans that have been approved by a three-quarters majority of the shareholders of the Company and any required stock exchange; (D) Shares issued in connection with any stock split, stock dividend, or recapitalization by the Company in which all shareholders are recipients or affected equally; (E) Shares issued in connection with the exercise, exchange or conversion of Share Rights; or (F) shares issued pursuant to any shareholder rights plan adopted by the Board of Directors of the Company, provided that the Investor's nominee(s) to the Company's Board of directors have voted in favour of adopting the shareholder rights plan.

(ii) "**Share Rights**" means warrants, exchangeable or convertible securities, subscriptions or other like rights to purchase or otherwise acquire New Shares. Where New Shares and Share Rights are offered in combination such as in what are customarily referred to as "units", the Investor may only elect to exercise the Pre-Emptive Right in respect of such securities in the same combination and, subject to section 2(iii) on the same basis as all other offerees and the acquisition by the Investor of New Shares and Share Rights pursuant to its Pre-emptive Right will be subject to the same regulatory and shareholders' approval requirements as are applicable to: (i) this Agreement; and (ii) the issuance of the New Shares and Share Rights to other purchasers thereof.

(iii) In the event that the Company proposes to undertake an issuance of New Shares and/or Share Rights, it shall give the Investor written notice of its intention, describing the offering of New Shares and/or Share Rights including the price and the general terms upon which the Company proposes to issue New Shares and/or Share Rights. The Investor shall have fifteen (15) Business Days, from the date of receipt of any such notice to agree to exercise the Pre-Emptive Right to the extent of the percentage referred to in section 2 and to purchase New Shares and/or Share Rights for the price and upon the general terms specified in the notice by giving written notice of exercise to the Company. Failure of the Investor to timely respond to the notice within said fifteen (15) Business Day period shall be deemed an election to decline to exercise the Pre-Emptive Right.

(iv) In the event that the Company proposes to undertake an issuance of New Shares and/or Share Rights, and the Investor declines or is deemed to decline the exercise of the Pre-Emptive Right pursuant to section 2(iii) hereof, then the percentage that the Investor will have a pre-emptive right over as described in the first paragraph of this section 2, shall be reduced to the percentage of the Shares held by the Investor, on a non-diluted basis, immediately following the completion of the transaction in which the Investor declined or was deemed to decline the exercise of the Pre-Emptive Right.

3. CLOSING

(a) Place of Closing

The completion of the purchase and sale of the Purchased Shares (the "**Closing**") shall take place at 11:00 a.m. local time (the "**Closing Time**") on February 3, 2010 (the "**Closing Date**") at the offices of the Company's counsel, Maitland and Company.

(b) Conditions of Closing in Favour of the Company

The Investor acknowledges that the Company's obligation to sell the Purchased Shares to the Investor is subject to, among other things, the following conditions at the Closing:

(i) the Investor having complied with the conditions set forth in section 4.2 hereof;

(ii) the Company having obtained all required regulatory approvals to permit the completion of the transactions contemplated hereby, including without limitation, the conditional approval of the TSXV permitting the Company to proceed with the sale of the Purchased Shares without obtaining shareholder approval or if such approval is required, the Company will have obtained such approval by way of consent resolution of holders of a number of shares equal to 50%+1 share;

(iii) the issue and sale and delivery of the Purchased Shares being exempt from the requirements to file a prospectus or deliver an offering memorandum; and

(iv) all representations and warranties of the Investor set forth in this Agreement shall be true and correct in all respects as of the Closing Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date) but may be waived in whole or in part by the Company. All representations and warranties of the Investor made herein shall survive Closing for a period of two years.

(c) Conditions of Closings in Favour of the Investor

The Company acknowledges that the Investor's obligation to purchase the Purchased Shares from the Company is subject to, among other things, the following conditions:

(i) all of the closing deliveries indicated in Section 4.1(a) to (e) have been delivered; and

(ii) all representations and warranties of the Company set forth in this Agreement shall be true and correct in all respects as of the Closing Time on the Closing Date, as though made on and as of the Closing Time on the Closing Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where any failure or failures of any such representations and warranties to be so true and correct in all respects would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company. All representations and warranties of the Company made herein may be waived in whole or in part by the Investor and shall survive closing for a period of two years.

4. CLOSING DELIVERIES

4.1 By the Closing Time on the Closing Date:

(a) Corporate Actions

All actions required to be taken by or on behalf of the Company including, without limitation, the passing of any required resolutions of the Board of Directors of the Company and any approval of its shareholders, shall have occurred in order to complete the transaction contemplated by this Agreement including, without limitation, to (1) issue and sell the Purchased Shares and (2) appoint the nominee(s) of the Investor to the Board of Directors of the Company as provided in section 6(a).

(b) Executed Officer Certificate and Legal Opinions

The Company shall have delivered or caused to be delivered to the Investor:

(i) a certificate dated on the Closing Date, signed by a senior officer of the Company on behalf of the Company addressed to the Investor, attaching and certifying the form of articles of the Company, the resolutions of the Board of Directors of the Company relating to this Agreement, and with respect to such other matters as the Investor may reasonably request on a least two business days notice. The certificate shall also confirm that:

(A) all representations and warranties of the Company set forth in this Agreement shall be true and correct in all respects as of the Closing Time on the Closing Date, as though made on and as of the Closing Time on the Closing Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where any failure or failures of any such representations and warranties to be so true and correct in all respects would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company;

(B) the Company has complied with all covenants and agreements contained in, and has satisfied all of the terms and conditions of, this Agreement to be complied with and satisfied by the Company at or prior to the Closing Time;

(C) no order, ruling or determination having the effect of ceasing or suspending the sale or ceasing, suspending or restricting trading in Shares or any other securities of the Company has been issued or made by any stock exchange, securities commission or other regulatory authority and is continuing in effect and no proceeding, investigation or enquiry for such purpose has been instituted or is pending, or is contemplated or threatened, under Applicable Securities Laws, by any securities commission or other regulatory authority;

(ii) a legal opinion of counsel to the Company confirming the good standing of the Company, the due authorization of this Agreement by its Board and shareholders, the valid issuance of the Purchased Shares and the resale restrictions pertaining to same in British Columbia, that Regulatory Acceptance was obtained, the valid appointment to the Board of the Investor's nominee(s) and such other matters that the Investor may reasonably request on at least three (3) Business days notice prior to Closing;

(c) Certificate of Transfer Agent

The Investor shall have received a certificate from Computershare Trust Company of Canada dated the day before the Closing Date and signed by an authorized officer of Computershare Trust Company of Canada, confirming the outstanding share capital of the Company as of the day before the applicable Closing.

(d) TSXV Approval

The Investor shall have received a copy of the written conditional approval of the listing of the Purchased Shares by the TSXV ("**Regulatory Acceptance**").

(e) Countersigned Share Certificate

The Investor shall have received one originally counter-signed certificate representing the Purchased Shares registered in the name of the Investor or in such other name as the Investor shall advise in writing at least three Business Days before the Closing.

4.2 **Purchase Price Delivered.** The Investor shall have delivered or cause to be wired or otherwise delivered on the Closing Date to the Company the Purchase Price in the form of immediately available funds against delivery by the Company to the Investor of the documents set out in this Section 4.1 of this Agreement. The Investor shall use reasonable commercial efforts to provide the TSXV with any further information as may be required for the approval by the TSXV in addition to the forms referred to section 1.

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Investor, and acknowledges that the Investor is relying upon such representations and warranties that:

(a) Organization, Good Standing and Qualification

The Company is a corporation duly organized, validly existing and in good standing under the laws of the Province of British Colombia and has all necessary corporate power and authority required to:

(i) carry on its business as currently conducted and as proposed to be conducted by the Company as set out in the Public Record (as hereinafter defined); and

(ii) enter into this Agreement and consummate the transactions contemplated hereby.

The Company is registered and qualified to do business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect on the Company. As used in this Agreement, "**Material Adverse Effect**" means, in respect of the Company, any change, effect, event, circumstance, fact or occurrence that individually or in the aggregate with other such changes, effects, events, circumstances, facts or occurrences, is or would reasonably be expected to be, material and adverse to the business, financial condition, assets, liabilities or results of operations of the Company and its subsidiaries, taken as a whole, except any change, effect, event, circumstance, fact or occurrence resulting from or relating to: (i) the announcement of the execution of this Agreement or the transactions contemplated hereby; (ii) changes in general to political, economic or financial conditions; (iii) the state of securities or currency markets in general (provided that it does not have a materially disproportionate effect on the Company relative to comparable carbon offset development companies); (iv) any change in Canadian generally accepted accounting principles (provided it does not have a materially disproportionate effect on the Company relative to comparable carbon offset development companies); (v) any natural disaster (provided that it does not have a materially disproportionate affect on the Company relative to comparable carbon offset development companies); (vi) changes affecting the carbon offset industry generally (provided that such changes do not have a materially disproportionate effect on the Company relative to comparable carbon offset development companies); (vii) any change in the price of carbon offsets; (viii) generally applicable changes in applicable law; (ix) the commencement or continuation of any war, armed hostilities or acts of terrorism; (x) any decrease in the market price or any decline in the trading volume of the Shares on the TSXV (it being understood that the causes underlying such change in market price or trading volume (other than those in items (i) to (ix) above) may be taken into account in determining whether a Material Adverse Effect has occurred).

(b) Capitalization

(i) The authorized share capital of the Company consists of an unlimited number of Shares, of which 17,173,793 Shares are issued and outstanding as of the date hereof and this number will not change before the Closing Date except for the possible exercise of any of the dilutive securities described following. All of such Shares have been allotted and authorized for issuance, and all of such Shares have been validly issued and are fully paid and non-assessable.

(ii) The Company has also allotted Shares for issuance to officers, directors, employees, or consultants under the Company's fixed Stock Option Plan, of which 3,429,759 Shares are currently potentially issuable pursuant to outstanding options granted thereunder for aggregate proceeds of $951,214 upon exercise thereof and 404,500 Shares are reserved for issuance for $404,500 pursuant to an agent's warrant and 2,072,500 other warrants for aggregate consideration of $2,578,500 upon exercise thereof. All Shares which are subject to issuance as aforesaid, upon due issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, are authorized, allotted and will be validly issued, fully paid and non-assessable. Other than as disclosed to the Investor, there are no other equity securities, options, warrants, calls, rights, commitments or agreements of any character to which the Company is a party or by which it is bound obligating the Company to grant pre-emptive rights, issue, deliver, sell, repurchase or redeem, or cause to be issued, delivered, sold, repurchased or redeemed, any shares of the capital share of the Company or obligating the Company to grant, extend or enter into any such equity security, option, warrant, call, right, commitment or agreement.

(iii) The Company has no subsidiaries meaning corporations, limited partnerships, or other legal entities which it controls the voting securities of except as disclosed herein or in the Public Record.

(c) Due Authorization

All corporate action on the part of the Company necessary for the authorization, execution and delivery of, and the performance of all obligations of the Company under, this Agreement has been taken, and this Agreement constitutes a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms, except:

(i) as may be limited by:

(A) applicable bankruptcy, insolvency, reorganization or others laws of general application relating to or affecting the enforcement of creditors' rights generally; and

(B) the effects of rules of law governing the availability of equitable remedies; and

(ii) as rights to indemnity or contribution may be limited under laws of general application or by principles of public policy thereunder.

(d) Public Record

All documents filed by the Company under Applicable Securities Laws of Canada on SEDAR or the Company's website (collectively, the "**Public Record**") since January 1, 2009 have been filed on a timely basis. As of their respective dates contained in the Public Record (or, if any of such reports shall have been amended, as of the date of such amendment), the Public Record complied in all material respects with the requirements of Applicable Securities Laws of Canada and such documents do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances under which such statements were made.

The audited financial statements and unaudited interim financial statements of the Company included in the Public Record:

(i) comply as to form in all material respects with the published rules and regulations of Applicable Securities Laws of Canada with respect thereto;

(ii) have been prepared in accordance with Canadian generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby (except as may be indicated therein or in the notes thereto);

(iii) fairly present the consolidated financial condition, results of operations and cash flows of the Company as of the respective dates thereof and for the periods referred to therein;

(iv) contain no direct or implied statement of a material fact which is untrue on the date of such consolidated financial statements and do not omit to state any material fact which is required by Canadian generally accepted accounting principles or by applicable law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading; and

(v) are consistent with the books and records of the Company.

(e) Valid Issuance of Share

The Purchased Shares when issued, sold and delivered in accordance with the terms of this Agreement, will be duly and validly issued as fully paid and non-assessable common shares of the Company.

(f) Listing

The Shares are listed on the TSXV and the Frankfurt Stock Exchange ("FSE") only and the FSE does not require approval of this Agreement.

(g) Certain Securities Law Matters

The Company is a reporting issuer or the equivalent thereof in the Provinces of British Columbia, Alberta, and Ontario and it is not in default of any material requirement of the Applicable Securities Laws in Canada.

(h) No Shareholders Rights Plan

The directors of the Company have not adopted a shareholder rights plan nor are there any proposals before the Board of Directors of the Company to imminently adopt one.

(i) No Governmental Consents

Except for the Regulatory Acceptance, no consent, approval, order or authorization of, or registration qualification, designation, declaration or filing with, any Canadian governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Agreement.

(j) Non-Contravention

The execution, delivery and performance of this Agreement by the Company, and the consummation by the Company of the transactions contemplated hereby, do not:

(i) contravene or conflict with the Company's Articles;

(ii) constitute a violation of any provision of any Canadian law applicable to the Company; or

(iii) constitute a default or require any consent under, give rise to any right of termination, cancellation or acceleration of, or to a loss of any benefit to which the Company is entitled under, or result in the creation or imposition of any lien, claim or encumbrance on any assets of the Company under any contract to which the Company is a party or any permit, license or similar right relating to the Company or by which the Company may be bound or affected, except any such default, consent, right of termination, cancellation or acceleration, loss or lien, claim or encumbrance which, individually or in the aggregate, would not have a Material Adverse Effect on the Company.

(k) No Litigation

Other than as disclosed to the Investor, there is no action, suit, proceeding, claim, arbitration or investigation pending or, to the Company's knowledge, currently threatened:

(i) against the Company or in connection with any of its business activities, properties or assets, or, to the knowledge of the Company, any officer, director or employee of the Company in connection with such officer's, director's or employee's relationship with, or actions taken on behalf of, the Company; or

(ii) against the Company in connection with any of its business activities, properties or assets, or, to the knowledge of the Company, any officer, director or employee of the Company that seeks to prevent, enjoin, alter or delay any of the transactions contemplated by this Agreement.

(l) No Cease Trade Order

No order preventing, ceasing or suspending trading in any securities of the Company or prohibiting the issue and sale of securities by the Company has been issued and no proceedings for either of such purposes have been instituted or, to the Company's knowledge, are pending, contemplated or threatened.

(m) Accounting Controls

The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are completed in accordance with the general or specific authorization of management of the Company; (ii) transactions are recorded as necessary to permit preparation of financial statements for the Company in conformity with Canadian generally accepted accounting principles and to maintain asset accountability; (iii) access to assets of the Company is permitted only in accordance with the general or specific authorization of management of the Company; and (iv) the recorded accountability for assets of the Company is compared with the existing assets of the Company at reasonable intervals and appropriate action is taken with respect to any differences therein.

(n) Changes in Financial Position

Since January 1, 2009:

(i) the Company has not paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor;

(ii) the Company has not incurred any obligation or liability, direct or indirect, contingent or otherwise, except in the ordinary course of business and which is not, and which in the aggregate are not, material to the Company;

(iii) the Company has not entered into any material transaction;

(iv) there has been no material adverse change (actual, anticipated, contemplated or, to the Company's knowledge, threatened, financial or otherwise) in the business, affairs, operations, assets or liabilities (contingent or otherwise), capital or control of the Company, and

(v) the Company's carrying value for its offset inventory represents the lower of cost and realizable value;

except in each case as disclosed in the Public Record.

(o) Insolvency

The Company has not committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any Person holding any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it.

(p) No Proposals for Certain Changes

Except as disclosed in the Public Record, the Company has not approved, nor is it contemplating, nor has it entered into any agreement in respect of, or has any knowledge of:

(i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Company whether by asset sale, transfer of shares or otherwise, any reorganization, distribution to security holders or recapitalization; or

(ii) the change of control of the Company (by sale or transfer of Shares or sale of all or substantially all of the property and assets of the Company or otherwise).

(q) Insurance

The assets of the Company and its business and operations thereof are insured against loss or damage as disclosed on the Disclosure Schedule and such coverage is in full force and effect and the Company has not failed to promptly give any notice or present any material claim thereunder.

(r) Taxes and Tax Returns

Except in each case as disclosed in the Public Record, (i) the Company, in all material respects, has filed, in a timely manner all necessary tax returns and notices and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due; (ii) the Company is not aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to result in a Material Adverse Effect on the Company; (iii) there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by the Company or the payment of any material tax, governmental charge, penalty, interest or fine against the Company; (iv) there are no material actions, suits, proceedings, investigations or claims now threatened or pending against the Company which could result in a material liability in respect of taxes, charges or levies of any governmental authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority; and (v) the Company has withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation.

(s) Compliance with Laws, Licenses and Permits

The Company has conducted and is conducting its business in compliance in all material respects with all applicable laws, regulations, and orders of any governmental or other regulatory body having authority over its carbon offset development activities and properties and it holds all material approvals, consents, certificates, registrations, authorizations, permits and licenses issued by the appropriate regulatory agency or body necessary to and conditions of all such approvals, consents, certificates, authorizations, forestry or water use permits and licenses and with all laws, regulations, tariffs, rules, orders and directives material to the operations thereof, and the Company has not received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such lease, permit, approval, consent, certificate, authorization, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, would materially adversely affect the conduct of the business or operations of, or the assets, liabilities (contingent or otherwise), condition (financial or otherwise) or prospects of, the Company.

(t) Material Agreements and Other Disclosures

The Company has provided or will provide to the Investor in a separate document(s) labelled "**Disclosure Schedule**" and certified by a senior officer to be provided to Investor at least three business days before Closing, all information concerning the Company which contains any exception from or clarifications of the Public Record necessary in connection with the representations made herein as well as (i) a listing of all employees and their remuneration;(ii) a listing of all insurance policies; (iii) a list of principal restoration projects, principal customers and (iv) a complete list of the agreements to which the Company is a party and which involve an obligation or commitment on the Company in excess of $100,000 or involve the obligation to issue any Shares (except that incentive options and warrants may be grouped and their exercise prices averaged), any executive service agreements, any property agreement or lease still in effect, any agreement which could result in a lien on a property, any agreement providing for the appointment of any director, any voting trust, pre-emptive right, right of first of refusal, and any like agreement

The Company is not in violation of any term of the articles, by-laws or any other constating document of the Company. The Company is not in violation of any term or provision of any agreement, indenture or other instrument, applicable to it which would, or could, result in any Material Adverse Effect. As described in the Disclosure Schedule, the Company is not in default in the payment of any obligation owed which is now due, if any, and there is no action, suit, proceeding or investigation commenced, pending or, to the Company's knowledge, threatened which, either in any case or in the aggregate, might result in any Material Adverse Effect on the Company or which places, or could place, in question the validity or enforceability of this Agreement or any document or instrument delivered, or to be delivered, by the Company pursuant hereto.

(u) Property, Leasehold and Similar Interests

Except as disclosed in the Public Record or in the Disclosure Schedule, the Company is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material property or assets thereof as described in the Public Record free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those described in the Public Record or in the Disclosure Schedule and no other material property rights are necessary for the conduct of the business of the Company as currently conducted or contemplated to be conducted, and the Company does not know of any claim or the basis for any claim that might or could adversely affect the right thereof to use, transfer or otherwise exploit such property rights and, except as disclosed in the Public Record, the Company does not have any responsibility or obligation to pay any royalty, licence fee or similar payment to any Person with respect to the property rights thereof.

(v) No Defaults

The Company is not in default of any material term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which the Company is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder except in each case as would not have a Material Adverse Effect on the Company.

(w) Compliance with Employment Laws

(i) The Company:

(A) has withheld all amounts required by law or agreement to be withheld from wages, salaries, other payments and other forms of compensation to its employees and former employees or has remedied any failure to do so;

(B) is not liable for any wages in arrears; and

(C) is not liable for taxes or penalties for failure to withhold or pay wages when due.

(ii) Except as disclosed in the Public Record or to the Investor, the Company is in compliance with all laws and regulations respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where such non compliance would not constitute a Material Adverse Effect on the Company.

(iii) There are no complaints pending or, to the Company's knowledge, threatened before any governmental authority alleging unfair labour practices or unlawful discrimination nor, to the Company's knowledge, is there any basis for any such claim.

(iv) There are no existing or, to the Company's knowledge, threatened labour strikes, disputes, grievances, controversies or other labour troubles affecting the Company which would individually or in the aggregate, have a Material Adverse Effect on the Company.

(v) The Company is not a party to any collective bargaining agreement.

(vi) There are no outstanding orders under applicable legislation in any jurisdiction in which the Company carries on business or has employees.

(vii) Other than as disclosed in the Public Record, no employee has any agreement as to the length of notice required to terminate his or her employment with the Company in excess of 12 months or equivalent compensation and all benefit and pension plans of the Company are funded in accordance with applicable laws and no past service funding liability exist thereunder.

(x) Employee Plans

Each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, pension, incentive or otherwise contributed to, or required to be contributed to, by the Company for the benefit of any current or former officer, director, employee or consultant of the Company has been maintained in material compliance with the terms thereof and with the requirements prescribed by any and all statutes, orders, rules, policies and regulations that are applicable to any such plan. A copy of each such plan is in the Public Record or provided in a list to the Investor as part of the Disclosure Schedule.

(y) Environmental Compliance

Except as disclosed in the Public Record and except to the extent that any violation or other matter referred to in this subsection does not have a Material Adverse Effect on the Company as a whole:

(i) the property, assets and operations of the Company comply in all material respects with all applicable Environmental Laws (which term means and includes, without limitation, any and all applicable international, federal, provincial, municipal or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, or any Environmental Activity (which term means and includes, without limitation, any past, present or future activity, event or circumstance in respect of a Contaminant (which term means and includes, without limitation, any pollutants, dangerous substances, liquid wastes, hazardous wastes, hazardous materials, hazardous substances or contaminants or any other matter including any of the foregoing, as defined or described as such pursuant to any Environmental Law), including, without limitation, the storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation thereof, or the release, escape, leaching, dispersal or migration thereof into the natural environment, including the movement through or in the air, soil, surface water or groundwater));

(ii) the Company does not have any knowledge of, and have not received any notice of, any material claim, judicial or administrative proceeding, pending or threatened against, or which may affect the Company or any of its property, assets or operations thereof, relating to, or alleging any violation of any Environmental Laws, the Company is not aware of any facts which could give rise to any such claim or judicial or administrative proceeding and the Company nor any of its property, assets or operations is the subject of any investigation, evaluation, audit or review by any Governmental Authority (which term means and includes, without limitation, any federal government, province, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing) to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any Contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Authority;

(iii) the Company has not given or filed any notice under any federal, provincial or local law with respect to any Environmental Activity and the Company does not have any current liability in connection with any Environmental Activity (except for an accruing liability) and the Company is not aware of any notice being given under any federal, provincial or local law or of any liability (whether contingent or otherwise) with respect to any Environmental Activity relating to or affecting the Company or its property, assets, business or operations;

(iv) the Company does not store any hazardous or toxic waste or substance on the property thereof and have not disposed of any hazardous or toxic waste, in each case in a manner contrary to any Environmental Laws, and there are no Contaminants on any of the premises at which the Company carries on business, in each case other than in compliance with Environmental Laws; and

(v) the Company is not subject to any contingent or other liability relating to the restoration or rehabilitation of land, water or any other part of the environment or non-compliance with Environmental Law which has not been accrued in its financial statements.

(z) No Non-Arm's Length Transactions

Except as disclosed in the Public Record or to the Investor, the Company does not owe any amount to, nor has it any present loans to, or borrowed any amount from or is otherwise indebted to, any officer, director, employee or security holder of any of them or any Person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) with any of them except for usual employee reimbursements and compensation paid in the ordinary and normal course of the business of either the Company. Other than as disclosed to the Investor and except usual employee or consulting arrangements made in the ordinary and normal course of business and the agreements disclosed in the Public Record, the Company is not a party to any contract, agreement or understanding with any officer, director, employee and security holder of any of them or any other Person not dealing at arm's length with the Company. Other than as disclosed to the Investor, no officer, director, employee or security holder of the Company has any cause of action or other claim whatsoever against, or owes any amount to, the Company except for claims in the ordinary and normal course of the business of the Company such as for accrued vacation pay or other amounts or matters which would not be material to the Company.

(aa) Minute Books

The minute books of the Company, all of which have been or will be made available to the Investor or counsel to the Investor after execution hereof and before Closing, are complete and accurate in all material respects.

(bb) No Registration Rights

The Company has not granted or agreed to grant to any Person any rights (including piggyback registration rights), to have any securities of the Company registered with the U.S. Securities and Exchange Commission or registered or qualified with any other governmental authority.

(cc) No Brokers and Finders

The Company has not incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement or any of the transactions contemplated hereby.

(dd) Offsets Valid

All offsets created and/or sold by the Company to the date hereof are lawfully and validly created and verified to ISO 14064-2 standard for sale.

(ee) Intellectual Property

The Company holds proprietary methodologies it has developed, including carbon sequestration models and algorithms, as Intellectual Property. The Company anticipates developing measurement and verification methodologies and GIS-based data management systems for the ongoing monitoring and reporting of product generation. Except as disclosed on the Disclosure Schedule, the Company's intellectual property is owned solely by the Company without obligation to any third party and the Company has taken all necessary action to protect its intellectual property by patent, copyright, industrial design and confidentiality agreements. All past and current directors, officers, consultants and employees of the Company have executed customary assignment-of-invention confidentiality and non-competition agreements in favor of the Company.

6. OTHER COVENANTS OF THE COMPANY

(a) Directorship Entitlement

So long as the Investor holds 25% or more of the Company's Shares it shall be entitled to appoint up to two directors to the board of directors of the Company. So long as the Investor holds more than 20% but less than 25% of the Company's Shares it shall be entitled to appoint one director to the board of directors of the Company. Such nominees shall be qualified persons (pursuant to all legal requirements) and of good reputation. The Company agrees to appoint or nominate such persons as directors at each shareholders' meeting at which directors are to be elected for a period of five years from the Closing Date. If a nominee is not elected the Investor may appoint an alternative to act as director until the next annual general meeting. The Investor may, by 30 days' notice to the Company, appoint a different individual in place of either nominee. The initial nominee shall be Mr. Holger Mayer who shall be appointed a director at the Closing. The Investor understands that each nominee must fully complete a personal information form and such other consents and documents as may be required for Regulatory Acceptance of the appointment of such person. The nominees shall be entitled to an indemnification agreement in customary form and remuneration for service in accordance with the Company's policies from time to time in effect. The nominee directors shall disclose their financial interests in any matter pertaining to transactions between the Investor and the Company.

(b) Strategic Alliance Protocols

As part of the inducement for the Investor to enter into this Agreement, the Company agrees to provide the Investor with the exclusive rights of first refusal to participate in future offset development projects and to purchase the Company's available offsets as more particularly provided by the protocols adopted by the Company as of Closing in the form attached hereto as Schedule A and which shall on execution hereof constitute a part of this Agreement which can be modified only with consent of the Investor.

7. REPRESENTATIONS, WARRANTIES AND CERTAIN AGREEMENTS OF THE INVESTOR

The Investor hereby represents and warrants to the Company, as of the date hereof, and agrees that:

(a) Organization, Good Standing and Qualification

The Investor is a corporation duly organized, validly existing and in good standing under the laws of Germany and has all requisite corporate power and authority required to enter into this Agreement and consummate the transactions contemplated hereby.

(b) Due Authorization

This Agreement has been duly authorized by all necessary corporate action on the part of the Investor. This Agreement constitutes a valid and legally binding obligation of the Investor, enforceable against the Investor in accordance with its terms, except:

(i) as may be limited by:

(A) applicable bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights generally; and

(B) the effects of rules of law governing the availability of equitable remedies; and

(ii) as rights to indemnity or contribution may be limited under laws of general application or by principles of public policy thereunder; and

(c) Current Shareholdings

Neither the Investor nor any of its Affiliates owns any Shares as of the date hereof.

(d) Governmental Consents

Except for Regulatory Acceptance, no consent, approval, order or authorization of, or registration qualification, designation, declaration or filing (except as contemplated by section 9(a)), with, any governmental authority on the part of the Investor is required in connection with the consummation of the transactions contemplated by this Agreement.

(e) Purchase for Own Account

The Purchased Shares are being acquired for investment for the Investor's or its Affiliate's own account, not as a nominee or agent, and not with a view to the immediate public resale or distribution thereof within the meaning of Applicable Securities Laws, and the Investor has no present intention of selling, granting any participation in or otherwise distributing the same.

(f) Investment Experience

The purchase of the Purchased Shares involves substantial risk; and the Investor is capable of evaluating the merits and risks of its investment in the Purchased Shares and protecting its own interests in connection with this investment.

(g) Restricted Securities

The Investor:

(i) is not, and is not purchasing, the Purchased Shares for the account or benefit of, a U.S. Person (as hereinafter defined);

(ii) was not offered the Purchased Shares in the United States;

(iii) did not execute or deliver this Agreement in the United States; and

(iv) acknowledges that the Purchased Shares have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended.

(h) Legends

The certificates for the Purchased Shares will bear the following legends:

> "Unless permitted under securities legislation, the holder of this security must not trade the security before **[four months plus one day from the Closing Date]**"; and

> "Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until **[insert that date which is four months and a day from the Closing Date.]**"

(i) Regulatory Acceptance Form and Consent to Disclosure

It will execute any customary documents, including a TSXV personal information form, and to provide such other information as may be reasonably required by the Company to obtain Regulatory Acceptance.

(j) Illegal Use of Funds

None of the funds being used to purchase the Purchased Shares are to the knowledge of the Investor proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to purchase the Purchased Shares which will be advanced by the Investor to the Company hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLTFA**") and the Investor acknowledges that the Company may in the future be required by law to disclose the Investor's name and the name of any beneficial purchaser and other information relating to this Agreement and the Investor's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge, none of the funds to be provided by the Investor are being tendered on behalf of a person or entity who has not been identified to the Investor. The Investor covenants to promptly notify the Company if the Investor discovers that any of such representations ceases to be true, and to provide the Company with appropriate information in connection therewith.

(k) Absence of Offering Memorandum or Similar Document

The Investor has not received, nor has it requested, nor does it have any need to receive, any prospectus, offering memorandum or any other document describing the business and affairs of the Company (other than this Agreement), nor has any document been prepared for delivery to, or review by, prospective purchasers in order to assist them in making an investment decision in respect of the Purchased Shares and such issuances are exempt from the prospectus requirements otherwise applicable under the provisions of Applicable Securities Laws of Canada and, as a result, in connection with its purchase of the Purchased Shares: (i) the Investor is restricted from using most of the protections, rights and remedies available under Applicable Securities Laws including, without limitation, statutory rights of rescission or damages; (ii) the Company is relieved from certain obligations that would otherwise apply under such applicable securities laws; and (iii) there are restrictions on the Investor's ability to resell the Purchased Shares and it is the sole responsibility of the Investor to find out what these restrictions are and to comply with them before selling the Purchased Shares.

(l) No Material Undisclosed Information

To its information and belief, the Purchased Shares are not being purchased by the Investor as a result of it having any material information about the Company not in the Public Record concerning the Company. The Investor's due diligence review activities have been limited ascertaining the veracity of the Public Record and the Company hereby confirms that to its knowledge the Investor has not been provided by the Company with any material undisclosed information.

(m) Written or Oral Representations

No person has made any written or oral representations: (i) that any person will resell or repurchase the Shares; (ii) that any person will refund the Purchase Price; or (iii) as to the future price or value of the Shares.

(n) International Investors

The Investor is a resident of Germany and represents and warrants that:

(i) the Investor is knowledgeable of, or has been independently advised as to, the applicable securities laws of Germany which would apply to this Agreement, if any;

(ii) the Investor is purchasing the Purchased Shares pursuant to exemptions from any prospectus, registration or similar requirements under the applicable securities laws of Germany or, if such is not applicable, the Investor is permitted to purchase the Purchased Shares under the applicable securities laws of Germany without the need to rely on an exemption;

(iii) the applicable securities laws do not require the Company to file a prospectus, registration statement or similar document or to register the Shares or to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in Germany; and

(iv) the delivery of this Agreement, the acceptance of it by the Company and the issuance of the Purchased Shares to the Investor complies with all applicable laws of Germany and will not cause the Company to become subject to or comply with any disclosure, prospectus or reporting requirements under any such applicable laws.

(o) Personal Information

The Purchaser acknowledges that this Agreement requires the Investor to provide certain personal information to the Company. Such information is being collected by the Company for the purposes of completing the proposed offering of the Purchased Shares, which includes, without limitation, determining the Investor's eligibility to purchase the Purchased Shares under Applicable Securities Laws, preparing and registering certificates representing the Purchased Shares and completing filings required by the British Columbia Securities Commission. The Investor's personal Information may be disclosed by the Company to: (i) stock exchanges or securities regulatory authorities, (ii) the Company's registrar and transfer agent, and (iii) any of the other parties involved in the transaction contemplated by this Agreement, including legal counsel, and may be included in record books in connection with the transaction contemplated by this Agreement. By executing this Agreement, the Investor is deemed to be consenting to the foregoing collection, use and disclosure of the Investor's personal information. The Investor also consents to the filing of copies or originals of any of the Investor's documents described in this Agreement as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated hereby. The Investor acknowledges and agrees that the representations of the Investor herein contained are made by it with the intention that they may be relied upon by the Company and in determining the Investor's eligibility to purchase the Purchased Shares under Applicable Securities Laws of Canada. The Investor further agrees that by accepting delivery of the Purchased Shares on the Closing Date, it shall be representing and warranting that such representations and warranties are true and correct as at the Closing Date with the same force and effect as if they had been made by the Investor at the Closing Time and that they shall survive the purchase by the Investor of the Purchased Shares and shall continue in full force and effect notwithstanding any subsequent disposition by the Investor of the Purchased Shares for a period of two years following the Closing Date. The Investor undertakes to notify the Company immediately of any change in any representation, warranty or other information relating to the Investor set out in this Agreement which takes place prior to the Closing Time.

8. TERMINATION

(a) Termination

This Agreement may be terminated at any time prior to the Closing Time by:

(i) the Investor if at the Closing Time, any of the conditions specified in Section 3(c) have not been satisfied in full; and

(ii) the Company if at the Closing Time, any of the conditions specified in Section 3(b) have not been satisfied in full;

(iii) by written agreement of the parties; or

(iv) by either the Investor or the Company if the Closing has not occurred by February 3, 2010 other than due to the fault or negligence of the party purporting to exercise this termination right), which date may be extended with the written consent of both parties.

(b) Effect of Termination

If this Agreement is terminated pursuant to this Section 8, all remaining obligations of the parties under or pursuant to this Agreement will terminate without further liability of any party to the other except for the provision of Section 9(n) relating to expenses and this Section 8(b), provided that nothing herein will relieve any party from liability for any breach of this Agreement occurring before its termination.

9. MISCELLANEOUS

(a) Press Release, Early Warning Report and other Filings

On execution hereof the parties will jointly issue a mutually agreed upon press release disclosing the material terms of this Agreement; and on Closing the parties will jointly issue a mutually agreed upon press release and Investor will file an early warning report in the form required under NI 62-103. If execution hereof and Closing occur on the same day only one press release will be issued. The Company will make timely filing of such post-Closing reports as are required to be filed by it under Applicable Securities Laws in Canada.

(b) Use of Proceeds

The Company will use the proceeds from its issuance and sale to the Investor of the Purchased Shares for general corporate purposes.

(c) Continuing Due Diligence Review by Investor

The Company will permit the Investor from the date hereof until the Closing Time to conduct full due diligence in respect of the Company's business operations, including access to its confidential information such as financial, corporate and legal records and agreements. In respect of Information requests or any other matters concerning the Company, the investment in the Company by the Investor and the transactions contemplated herein, the Investor agrees to communicate only with the President and Chief Executive Officer, the Corporate Secretary or the Chief Financial Officer of the Company or with such other individual or individuals as the Company (or any of the foregoing individuals) may authorize in writing (collectively, the

"Contact Persons") however the Contact Persons shall make available for discussion with Investor's representatives its staff members and outside advisors such as the auditors on reasonable request. All information learned by Investor shall be kept confidential and the Investor will execute an agreement reflecting this confidentiality undertaking but such agreement shall not contain a standstill.

(d) Successors and Assigns

The Investor may assign its interest in or to this Agreement in whole or in part to any Affiliate of the Investor upon notice to the Company. Except as otherwise herein provided, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

(e) Governing Law and Attornment

This Agreement shall be governed by and construed under the laws of the Province of British Columbia and federal laws of Canada applicable therein, without reference to principles of conflict of laws or choice of laws. In the event of any litigation in connection with this Agreement, the parties attorn to the jurisdiction of the courts of British Columbia.

(f) Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(g) Headings

The headings and captions used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs, and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits and schedules attached hereto, all of which exhibits and schedules are incorporated herein by this reference.

(h) Notices

Any notice required or permitted under this Agreement shall be given in a written communication confirming that it is a notice under this Agreement, shall be effective upon fax (with confirmation of transmission) or personal delivery to the party executing this Agreement on behalf of a party at the addresses set out below the signatures on the execution page hereof or as a party may thereafter designate by notice.

(i) Amendments and Waivers

This Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Investor.

(j) Severability

If any provision of this Agreement is held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

(k) Entire Agreement

This Agreement, together with all exhibits and schedules hereto, constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, correspondence, agreements, understandings, duties or obligations between the parties with respect to the subject matter hereof.

(l) Further Assurances

From and after the date of this Agreement, upon the request of the Company or the Investor, the Investor or the Company, respectively, shall execute and deliver such instruments, documents or other writings as may be reasonably necessary to confirm, carry out and effectuate fully the intents and purposes of this Agreement.

(m) Construction

Whenever in this Agreement the word "include" or "including" is used, such term shall be deemed to mean "include, without limitation," or "including, without limitation," or "including, but not limited to," as the case may be, and the language following "include" or "including" shall not be deemed to set forth an exhaustive list. The words "hereof," "herein," "hereby," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "or" is inclusive, unless the context otherwise requires. Article, Section, subsection, paragraph, exhibit and schedule references are to this Agreement unless otherwise specified.

(n) Fees, Costs and Expenses

All fees, costs and expenses incurred by either party hereto in connection with the preparation, negotiation and execution of this Agreement and the consummation of the transactions contemplated hereby shall be the expense of that party. The costs associated with any filings with, or compliance with any of the requirements of Regulatory Acceptance shall be the sole and exclusive responsibility of the Company.

(o) Dispute Resolution

The parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement (for avoidance of doubt including the Disclosure Schedule and Schedule A). If the negotiations do not resolve the dispute to the reasonable satisfaction of both parties, each party shall nominate one senior officer of the rank of Vice President or higher as its representative. These representatives shall, within 30 days of a written request by either party to call such a meeting, meet in person and alone (except for one assistant for each party) and shall attempt in good faith to resolve the dispute. If the dispute cannot be resolved by such senior officer in such meeting, the parties agree that they shall, if requested in writing by either party, meet within 30 days after such written notification for one day with an impartial mediator and consider dispute resolution alternatives other than litigation. If an alternative method of dispute resolution is not agreed upon within 30 days after the one-day mediation, either party may begin litigation proceedings. This procedure shall be a prerequisite before taking any additional action hereunder.

(p) Survival of Terms

The covenants of the Company contained in section 6 herein shall survive the closing of the transactions contemplated hereby for the longest period permitted by applicable law.

(q) Certain Definitions

As used in this Agreement the following definitions having the respective meanings ascribed thereto:

(i) "Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under direct or indirect common control with such other Person;

(ii) "Applicable Securities Laws" means, in respect of the sale and issuance of the Purchased Shares, the securities legislation having application and the rules, policies and notices issued by securities regulatory authorities having jurisdiction over the Company and the Investor, as the case may be;

(iii) "Business Day" means a day which is not a Saturday, a Sunday or a statutory or civic holiday in the City of Vancouver;

(iv) "non-diluted" means, with respect to the share capital of the Company the number of issued and outstanding common shares of the Company without taking into consideration any additional shares which may be issued upon exercise or conversion of options, warrants, or any other security of the Company which is exchangeable for or carries the right of the holder to purchase or otherwise acquire (or of the Company to cause the purchase or acquisition of) a common share of the Company;

(v) "Person" shall mean any individual, partnership, corporation, limited liability company, joint venture, association, joint-share company, trust, unincorporated organization or government or any agency or political subdivision thereof;

(vi) "U.S. Person" means a U.S. Person as defined in "Regulation S" to the United States *Securities Act of 1933* (the definition of which includes, but is not limited to, a natural person resident in the United States and an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States); and

(vii) The following additional terms shall the respective meanings given to them in the sections indicated below:

Defined Term	**Section**
"Agreement"	Preamble
"Applicable Securities Laws"	9(q)(ii)
"Bucko Lake Project"	9(q)(v)
"Closing"	3(a)
"Closing Date"	3(a)
"Closing Time"	3(a)
"Company"	Preamble
"Contact Persons	9(c)
"Contaminant"	5(y)(i)

Defined Term	**Section**
"Disclosure Schedule"	5(t)
"Environmental Activity"	5(y)(i)
"Environmental Law"	5(y)(i)
"Governmental Authority"	5(y)(ii)
"International Jurisdiction"	5(n)
"Investor"	Preamble
"Material Adverse Effect"	5(a)
"New Shares"	2(i)
"Pre-Emptive Right"	2
"Public Record"	5(d)
"Purchase Price"	1
"Purchased Shares"	1
"Regulatory Acceptance"	4.1(d)
"Shares"	Recitals
"Share Rights"	2(ii)
"TSXV"	3(a)

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

ERA CARBON OFFSETS LTD.

By:
Name: Robert Falls
Title: President and Chief Executive Officer

Address:
email:
Telephone No.:
Facsimile No.: 604-980-0422

With courtesy copy to (which is not required for valid notice):

Jeff Lightfoot
Mortland & Co.,

FOREST CARBON GROUP AG

By:
Name: MAYER
Title: VORSTAND

Address:
Forest Carbon Group AG
Rembrandtstraße 13
60596 Frankfurt am Main

With courtesy copy to (which is not required for valid notice):

Bernhard Zinkhofer, Esq.
Lang Michener LLP
1500 - 1055 West Georgia Street
Vancouver, B.C. V6E 4N7

bzinkhofer@lmls.com
Facsimile No.: (604) 891-2395

SCHEDULE "A"

Right of First Refusal on Project participation and Carbon Offset Purchases

Subject to and concurrent with the Closing of the Agreement, ERA Carbon Offsets Ltd. ("ERA") shall provide Forest Carbon Group AG ("FCG") with the Right of First Refusal to: (a) provide such project financing as may be requested by ERA for forest carbon offset projects ("FCO Projects"), and (b) to purchase carbon offsets created from ERA projects, according to the following:

1. The Right of First Refusal shall apply to all FCO Projects being developed by ERA, subject to points 7 and 8.
2. The Right of First Refusal shall continue until the earlier of: (a) five years following Closing; and (b) the date FCG no longer owns at least 20% of the issued and outstanding Shares of ERA on a non-diluted basis.
3. Upon providing FCG a Project Idea Note and Business Case (" PIN-BC"), FCG shall be given a 30 day exclusive opportunity to complete initial due diligence and deliver to ERA an executed notice of FCG' s intention to proceed to the next stage (a " Notice"). FCG will be deemed to have declined the opportunity if a Notice is not delivered within 30 days.
4. All PIN-BC submissions will indicate the nature of the project (i.e. afforestation, reforestation, avoided deforestation, avoided conversion, REDD, REDD +, etc.), and expected pricing of the carbon offsets which shall take into account relevant factors including the costs of the project and ERA' s reasonable overhead and administration costs.
5. A Notice shall indicate whether FCG ' s participation in the project will be:
    i. the purchase of carbon offsets created from the project (an " Off-Take Agreement); or
    ii. providing project financing as may be requested by ERA for the project (a " Project Financing Agreement"); or
    iii. both an Off-Take Agreement and a Project Financing Agreement.
6. After ERA has received a Notice , FCG and ERA will negotiate in good faith the details of the Off-Take Agreement or the Project Financing Agreement or both, as the case may be. If the parties are unable to conclude an agreement reflecting the PIN-BC and the Notice within 6 weeks after ERA has received a Notice and a board meeting of ERA has occured, ERA may offer the terms which were last offered to FCG or other terms not less favourable to ERA to any third party for up to a 60 days. If such terms are

accepted by the third party, ERA may complete an agreement with the third party based on such terms and a copy of any such third party agreement shall be provided to FCG to confirm compliance herewith. ERA may not offer to a third party terms which are less favourable to ERA than the terms last offered to FCG without FCG having had 30 days to accept such terms

7. ERA will not be obliged to offer a Right of First Refusal to FCG with respect to FCO Projects developed by ERA exclusively for other clients, or developed in participation with other clients or developers up to Closing Date as defined in the Share Purchase Agreement between FCG and ERA.
8. ERA' s existing obligations and contracts with offset resellers and project developers that predate the date of this Agreement, which would otherwise qualify as FCO Projects, will not be subject to the terms of this Agreement.
9. ERA acknowledges and agrees that all sales into the European Union of carbon offsets shall occur through FCG. Exceptions hereof, not to be unreasonably withheld, must be approved by FCG. The right of FCG to decline the purchase of carbon offsets created from ERA projects remains unaffected.
10. FCG acknowledges and agrees that all sales into North America of carbon offsets developed by ERA shall occur through ERA.
11. Both parties acknowledge and agree that this Agreement will be binding on ERA`s subsidiary ERA Ecosystem Restoration Associates Inc. and therefore ERA will cause its aforementioned subsidiary to comply with the rights and duties of ERA under this Agreement.