

11 May 2009

Mr Guy Lane

Funnel

P.O. Box 1203

Townsville Qld 4810

Dear Guy,

This letter is to express Prime Carbon's support for and interest in the Funnel program about which we have spoken today.

Prime Carbon exists to provide a practical link between those who must necessarily create emissions of CO₂e and those best placed to capture CO₂ from the atmosphere. In practice this means creating a linkage between consumers of energy products and producers of food and energy from the soil—meaning farmers and landholders.

We are therefore very much interested in exploring the provision of Removal Unit (RMU) offsets or other Carbon Credit Units (CCU) generated from Land Use, Land Use Change or other activities on farms which result in capture of carbon from the atmosphere.

It is perhaps significant that a number of those farmers who have chosen to participate in Prime Carbon programs for soil enhancement and carbon sequestration are also participating in the generation of renewable energy through growing crops for bio-fuels and the recycling of bio-mass.

We believe therefore that the linkage you have suggested between shippers, bio-fuels and carbon sequestration to soils provides a win-win-win solution to a number of social and environmental issues and we would be delighted to explore participation.

Sincerely,



Ken Bellamy
Director.

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