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Press Release from The Oil Mallee Company of Australia Ltd

WA Wheatbelt Ready for Carbon Trading

Australia's decision not to ratify the Kyoto Protocol will cost a major new industry for Wheatbelt WA.

The mallee eucalypt business in WA is set for a major expansion of activity as this hardy tree is an ideal 'carbon sink'. As the mallee trees grow they absorb carbon dioxide into leaves, branches and a large root system. Carbon dioxide absorbed from the atmosphere can be claimed as a carbon credit and the credit traded to offset pollution.

An international market would allow sale of this credit to an ever increasing trading network. Australia's refusal to enter into the Kyoto Protocol results in Australia being locked out of this lucrative trade.

The unique attributes of the mallee eucalypt have been recognised by Japan's second largest power company. The company has worked with the Oil Mallee Company of Australia over the past four years to research and prove that mallees can create an efficient carbon sink. A 1,000 hectare trial was established in 2003 and has been highly successful. Interestingly the power company supplies electricity to the Japanese city of Kyoto, which lends its name to the Protocol. This same model of absorbing carbon dioxide using mallee trees has now been used in NSW.

Tym Duncanson, Executive Director of OMC, said, "Everything is in place for Wheatbelt WA to be a major dealer of carbon credits in the international market.

"We have proactive and supportive landowners, a fundamental need for planting trees to address issues such as salinity, a unique native tree crop, a very large land base and the latest technology for growing and measuring the carbon sink.

"Our existing clients have indicated they would establish up to 100,000 hectares of tree crops, representing an investment into WA of \$400 million.

"We have even pioneered the process of creating the first carbon right over planted trees in line with State Legislation. This process allows the legal creation of a 'carbon credit' for trading this new commodity.

"The only thing holding us back is the lack of progressive government policy and the ratification of the Kyoto Protocol. Akin to selling rice to China we could be selling carbon credits to Kyoto!"

For more information call Tym Duncanson 0439 900 376.