Carbon Streaming looks set for long term revenue growth from trading carbon credits and pursues a listing on a major exchange

written by InvestorNews | January 26, 2022

The carbon credits market has been doing very well the past year. The world's first and largest market for trading carbon credits is the European Union Emissions Trading System (EU ETS). Under the EU ETS, regulated entities buy or receive emissions allowances, which they can trade with one another as needed. The EU ETS works on the 'cap and trade' principle as you can read here. The key is that emitters can purchase carbon credits and if they exceed their emissions caps they are fined heavily. Meanwhile, companies that reduce carbon emissions (renewable energy, forestry etc) can earn money by selling their carbon credits. The idea is that by placing a cost on carbon it helps motivate emitters to reduce emissions.

Reports have indicated that a carbon price in excess of US$100/t may be needed by 2030 in order to stay below the temperature goals contained in the Paris Agreement.

Today's company aims to accelerate the world's transition to a net-zero carbon future by bringing capital to projects that might not otherwise be developed. In return for the capital, the company receives their carbon credits.

EU Carbon permits prices have risen 162% over the past year

EU Carbon permits 1 year price chart



Source: Trading Economics

Note: Carbon credit pricing varies globally and by market. In the voluntary market prices are closer to only an average of US$12/t CO_2e as of December 2021.

Carbon Streaming Corporation (NEO: NETZ | OTCQB: OFSTF) offers a way for investors to invest into the growth of the carbon credit market. It acts as an investment vehicle, purchasing carbon credit revenue streams in return for an upfront payment. If the value of the carbon credits goes up or can be sold later at a profit then the stream becomes more valuable, thereby potentially boosting the value of the carbon streaming acquirer. Revenues and profits will also depend on quality and return on investment of the streaming deals that are made.

Carbon Streaming currently has a portfolio of 3 to 4 global carbon credits projects which are:

- Rimba Raya (Borneo, Indonesia)
- MarVivo Blue Carbon (Baja California Sur, Mexico)
- Cerrado Biome (Cerrado, Brazil)
- Bonobo Peace Forest (DRC, Africa) – Subject to FS results.

Carbon Streaming Corp.’s current portfolio of 3 to 4 carbon credit projects



Source: Carbon Streaming Corporation company presentation

Note: Carbon Streaming Corporation has only made an initial investment in the Bonobo Peace Forest, which will be directed to

prepare Feasibility Studies and establish initial project activities. Hence why the chart says “3 to 4” projects.

Catalysts and strategy in 2022 for Carbon Streaming Corporation

In 2022 Carbon Streaming intend to achieve the following:

- Acquiring additional carbon credit stream and royalty investments to grow the portfolio. The Company has a pipeline of potential opportunities of $200 million near term (<12 months), out of a total pipeline of $700 million.
- Achieving revenue from the sale of carbon credits (see image below).
- Executing on a US listing on a major U.S. stock exchange, targeted within H1, 2022.

2022 estimated carbon credits to be received by Carbon Streaming Corporation from Rimba Raya and Cerrado Biome

Source: Carbon Streaming news release January 18, 2022

CEO Justin Cochrane stated in January 2022: “Moving into 2022, we anticipate the delivery of **approximately 7.0 million carbon credits** from our existing stream investments, announcing new carbon project investments around the globe and deepening relationships with our growing community of carbon project developers. We will continue to invest in building the best team in the carbon markets industry and progressing our plans for a proposed U.S. Listing.”

Note: Bold emphasis by the author. Also, the “attributable credits” to Carbon Streaming Corp. are quoted in the table above as 5 to 5.6 million.

Closing remarks

Carbon Streaming Corporation offers investors a growing portfolio (currently 3 to 4 projects) of carbon credit streams for ongoing revenue and potential long-term appreciation.

2022 should be a very good year for the Company as they achieve first revenues from about 5 to 5.6 million attributable carbon credits and pursue more project deals and a U.S listing on a major U.S exchange.

Carbon Streaming Corporation trades on a market cap of C$605M after a strong 2021 with their stock moving up from ~C$7.55 a year ago to now trade at C$13.00. Stay tuned in 2022.