rainforest energy

Our Story
April 2024

"People Who Say It Cannot Be Done Should Not Interrupt Those Who Are Doing It."

- "Puck" Magazine, December 1902

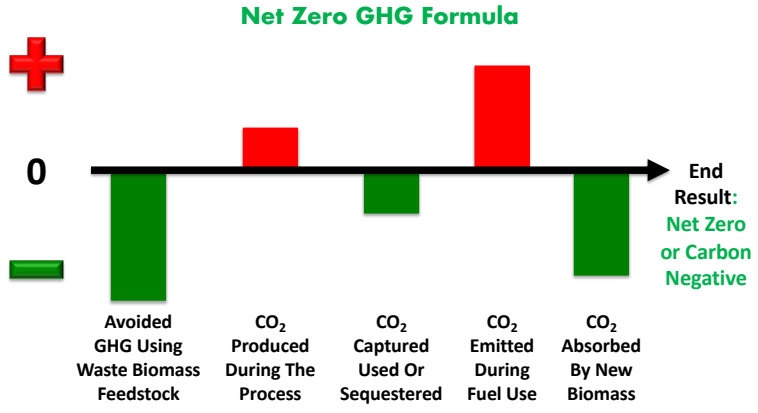
Ideas Drive Innovation

History has been forever transformed by individuals who refuse to accept "I can't" in their vocabulary. We often think of such World transformers as being inventors of new technology, such as the Wright Brothers or Nikola Tesla or Elon Musk. More often, however, the changemakers make connections among proven technologies for profoundly novel outcomes. Henry Ford famously borrowed the concept of a moving assembly line from an animal slaughterhouse to mass produce automobiles at low cost. Henry's pioneering new application of a proven idea ushered in the age of the motor vehicle, which is still growing after 110 years.

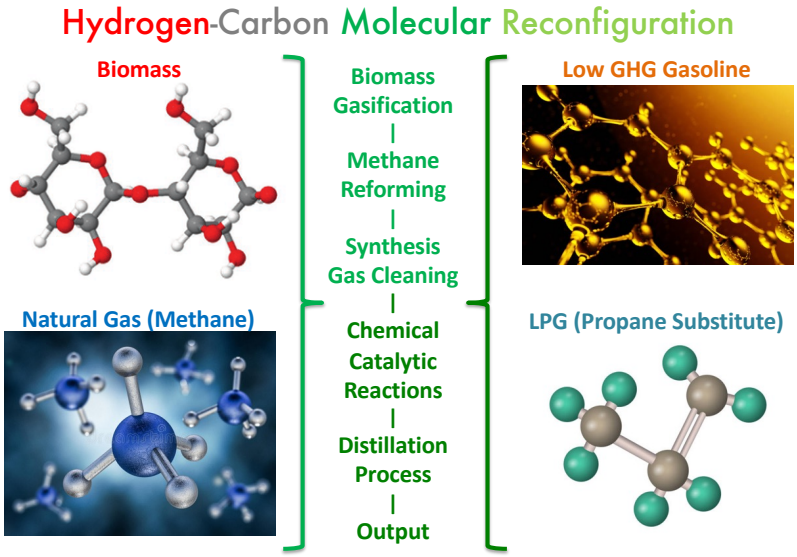
A lesser-known World changemaker was Texas entrepreneur George Mitchell. In the 1990s, he combined the previously established technologies of horizontal drilling and hydraulic fracturing to unlock the massive gas and oil resources of the tight shale rock formations that had always been assumed to never be productive. Even his own board of directors thought he was wasting his time trying. Nevertheless, George persevered and proved them all wrong. He eventually sold his start-up in 2001 for $3.1 billion to Devon Energy, who wanted to be the first mover of this knowhow. Shale production enjoyed exponential growth since then and now accounts for 74% of oil and gas output in the United States (66% of oil and 80% of natural gas). It has become a trillion-dollar new industry that transformed the World energy supply and geopolitical landscape.

Our Secret Sauce

Rainforest Energy also began with an idea. The company founders combined the proven concepts from several industries in a way to be able to produce net zero energy at a net profit. The team has been able to achieve the dual outcome of negative net GHG impact and an affordable liquid fuel for existing engines and with no blending limit. Waste biomass that otherwise would be burned or left to decay, thereby avoiding significant GHG emissions, is transformed into synthesis gas, which is then further processed into clean fuels. Hydrogen is generated from methane or other sources to optimize the process and lower its costs. The CO_2 captured during the process is used for greenhouse enhancement or other industrial applications, with the unused volumes permanently sequestered in a saline aquifer deep below each facility at low incremental cost.



The CO_2 emitted from fuel use is a closed loop, as it is then absorbed by new biomass growth. This is in contrast to fossil fuels which introduces new CO_2 into the environment that had been stored for millions of years underground. If some day in the future there are no more internal combustion engines, the Rainforest Energy process can

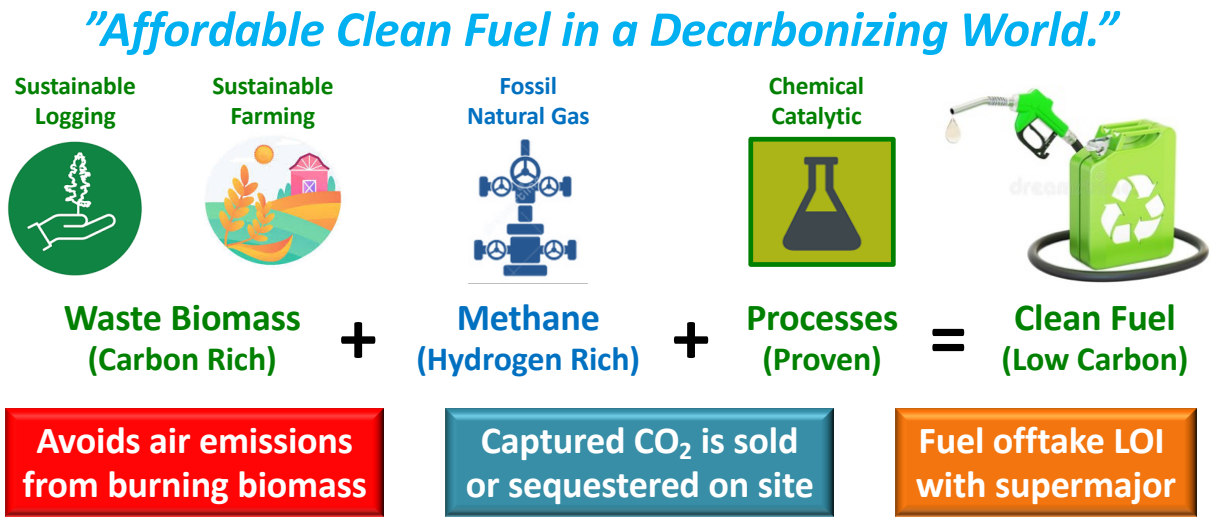


be amended to use the same feedstocks but instead produce green power or hydrogen for fuel cell electric vehicles (HEV solves the battery rare earth constraints). Rainforest Energy fuel competes head on with fossil fuels without carbon credits or subsidies for which other renewable fuels are usually dependent. Achieving a net zero outcome need not sacrifice prosperity. This idea is the foundation of a new multi-billion-dollar industry.

Beer Origin Story

Rainforest Energy started as an idea between Pete Lafontaine, Chairman and proud Metis, and Jeff Arsenych, Co-Chair/CFO, five years ago in a Calgary pub. Pete was a successful entrepreneur in the tech space and Jeff was a veteran entrepreneur from the petroleum and renewable energy sectors. Both brought their particular brands of innovation to forge what was to become Rainforest Energy. The company name itself was inspired by the Rainforest Alberta initiative, an innovation ecosystem of more than two thousand professionals in which Pete was a thought leader. Pete and Jeff would prove that ideas can be a force of nature with the right team.

The challenge was simple: produce **affordable** clean energy in a decarbonizing World. Pete and Jeff knew that meeting this energy transition task was going to be difficult, as many alternative energy solutions have not been financially sustainable. Their motto was: ***"In order to truly be green, one must make green."*** They also knew to be successful for the long term and inspire lasting change, the enterprise must also have a purpose beyond just making money. ***"Purposeful and profitable"*** is the central principle governing the company.



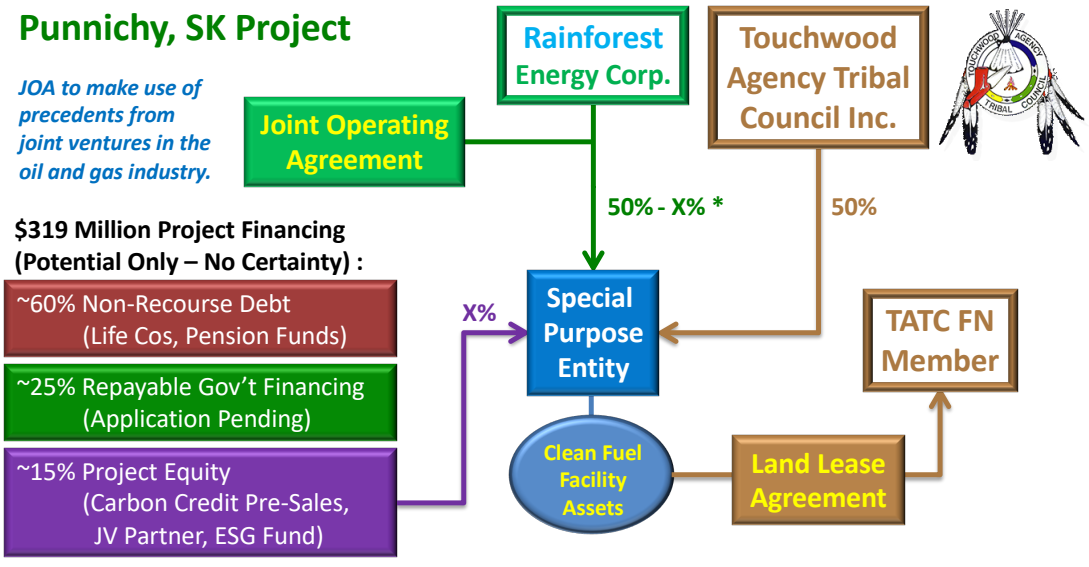
Why We Are Different

What makes Rainforest different is a dedication to creating a circular economy to benefit Indigenous and rural communities, close to feedstock, and where long-term jobs are needed the most. In addition to biomass collection, local businesses can benefit from the facility co-products of captured carbon dioxide, clean water, residual heat, and surplus power such as a community greenhouse, fish farm, and other local agri-ventures, as well as CO_2 and LPG bottling and distribution. The focus on community prosperity is the opposite of typical clean energy mega-projects. These community-based ventures can last seven generations or longer.

The project financing architecture design is a new way of partnering between the energy sector and Indigenous communities. Instead of formulating a project, selecting a location, and then inviting an Indigenous partner to the table, Rainforest sets itself apart by building the table together from the outset. The community partnership is the first priority and from this relationship of trust a project design emerges. The site location is the last decision, which becomes a joint decision based on community needs and local considerations.

The first project in the venture pipeline is in partnership with the Touchwood Agency Tribal Council in the region of Punnichy, Saskatchewan. It is currently in the feasibility or pre-FEED stage (first level of Front-End Engineering & Design), which is budgeted at $2 million and scheduled for completion at the end of 2024. Based on the proposed financial architecture for $319 million of project financing ($286 million capex + financing costs), the Indigenous equity ownership is contracted to be 50% after payout of debt and other non-dilutive financing.

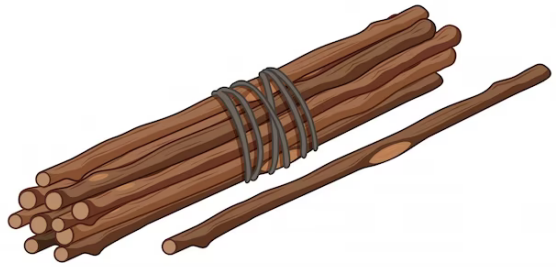
In addition to long-term job and business opportunity creation to benefit the Touchwood communities for multiple generations, a 50% equity share of cash flow after debt service is estimated to range from $20 to $50 million annually, depending on future carbon credit prices ("nil" or current). This will enhance the local capacity for priority community investments.



* *Rainforest ownership to start at 50% and after project financing end up with a target minimum 10% "sweat" equity for putting the project together and providing technical knowhow.*

People Make Things Happen

As starship Captain James T. Kirk depended on Chief Engineer Montgomery Scott, Jeff knew they needed to find a "Scotty." For this essential role, Jeff recruited his former co-worker Konstantin Starkov as COO / VP-Engineering & Construction for Rainforest Energy. They had worked together in one of Jeff's previous start-ups that successfully deployed a new technology to clean up oilfield waste. Since then, Kostya also solved the complex problems of a new enhanced oil recovery technology for a major petroleum company led by pioneering entrepreneur John Wright who founded multiple billion-dollar energy start-ups. Kostya and Jeff were also able to convince John to join the Rainforest Energy board of directors and supercharge the team's innovations. The Rainforest Team has operational expertise in solving difficult technical problems with a collective experience managing $10 billion of petroleum and renewable energy assets (please refer to www.rainforestenergy.ca for team bios).



A team is stronger than the individual.
(Image Source: www.freepik.com/free-photos-vectors/bundle-sticks)

The Rainforest Energy team now includes leaders and wisdom-keepers in a broad range of change-making disciplines. Shondell Sabad (CEO) is an established entrepreneur in the resource development and agri-venture sectors with a deep knowledge of energy products trading. Khaled Saleh (board member) brings out-of-box thinking in the fields of engineering and project management. Caroline O'Driscoll (VP-Corporate & Board Secretary) offers unconventional experience with Indigenous partnerships and corporate law. Melodie Creegan (VP-Marketing & Communications), a proud Metis, is an exceptional brand creator and communications expert. Jacques Huot (Project Finance Advisor), a non-status Indian and pipe carrier, brings vast experience in project finance with Indigenous and non-Indigenous infrastructure. Francis Erasmus (Strategic Advisor to the Board) is an Indigenous leader who has deep expertise and wisdom in engaging community partnerships with the energy industry.

Why We Exist

The purpose of Rainforest Energy is powering humanity for a cleaner today and a brighter tomorrow, one community at a time. The transformative and multi-generational impact of this mission is the reason why we get up in the morning and relentlessly pursue our work. We seek to train our partners to ultimately be our competitors to proliferate the more than 100 potential community ventures in this sector in North America, thereby creating a $30 billion new industry for Indigenous and community economic, energy, and food sovereignty. A measure of success is the day when our Indigenous partners no longer need us and we get fired! Of course, staying as trusted friends and sharing in the bounty we created together.

rainforest energy

Our Story
April 2024

Community Circular Economy