



Woodbois awarded 50,000 hectares to plant new forest in Gabon for carbon credits

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Woodbois Ltd (AIM:WBI, OTC:WODBF) has been awarded a voluntary carbon credit afforestation project in Gabon covering an area approximately the size of England's New Forest. Having been verbally notified of the award of a 40-year land lease for an area of up to 50,000 hectares of currently unutilised land, as well as the news being reported on the [Gabonese National Land Allocation Commission website](#), the forestry group said it will begin a four-year pilot on a 2,000-hectare portion of the area to demonstrate the afforestation potential of the land once lease documentation is completed.

The company, which has operated in the country for more than two decades and has 170,000 hectares of commercial forestry concessions there, said it estimates regenerating the full area with an indigenous forest of up to 50mln trees, predominantly of the indigenous okoumé species, which has the potential to sequester more than 30mln tonnes of CO₂ over the 40-year lease.

First carbon credits are expected to be issued in 2028, following the five-year accreditation period required under carbon registry rules.

Gabon, which last year [pledged to maintain at least a carbon-neutral status beyond 2050](#), will be entitled to 20% of the carbon credits generated over the lifetime of the project under national law.

Woodbois said it is reviewing optimum funding for the pilot, which it estimates will cost US\$5mln, with the carbon credits used to fund the main implementation, along with expected external funding at the project level.

It is confident that “a range of partners will be willing to participate” in both the pilot and main project, which will be planted in a design to mimic natural forest re-growth with “significant” expected biodiversity and habitat creation benefits.

The initial planting scheme will be managed by the company’s nature-based solutions team and carried out by local employees, with full implementation expected to create around 1,000 jobs for local people.

Chief executive Paul Dolan said: "This assisted forest development is designed to achieve a balance between the benefits for nature, local communities, Gabon and the company by delivering a project that is economically sustainable and which helps support the critical world resource of the Congo basin rainforest.

He added that Woodbois is “keen to be at the forefront of afforestation and to work with other African governments to replicate projects of this kind across the region”.

The company also reported a 10% increase in own production goods shipped in the first quarter of 2023 to US\$3mln, with veneer production up 27% to 1,400 square metres (sq m) and sawmill production declining 57% to 1,800 sq m as a temporary shutdown was carried out amid abnormal weather conditions and to relieve pressure on warehouse storage space.

Having started **reducing exposure to third-party trading**, this was extended into the past quarter due to potentially sub-optimal margins and working capital constraints, leading to revenue reducing 45% to US\$3mln.

But total revenue for the whole of 2023 is expected to exceed last year, with a “focus on margins and profitability”, the company said, with positive operational cash flow also expected. Its cash balance was topped up to US\$4.6mln at the end of March following the **recent placing**, with a potential sale and leaseback being explored of two unencumbered real-estate production sites in Gabon valued at US\$15mln two years ago.

Source: <https://www.proactiveinvestors.com/companies/news/1011678/woodbois-awarded-50-000-hectares-to-plant-new-forest-in-gabon-for-carbon-credits-1011678.html>