This Project Document is Dated January 25th, 2011, and conforms to the VCS PD Template dated 19th November 2007.

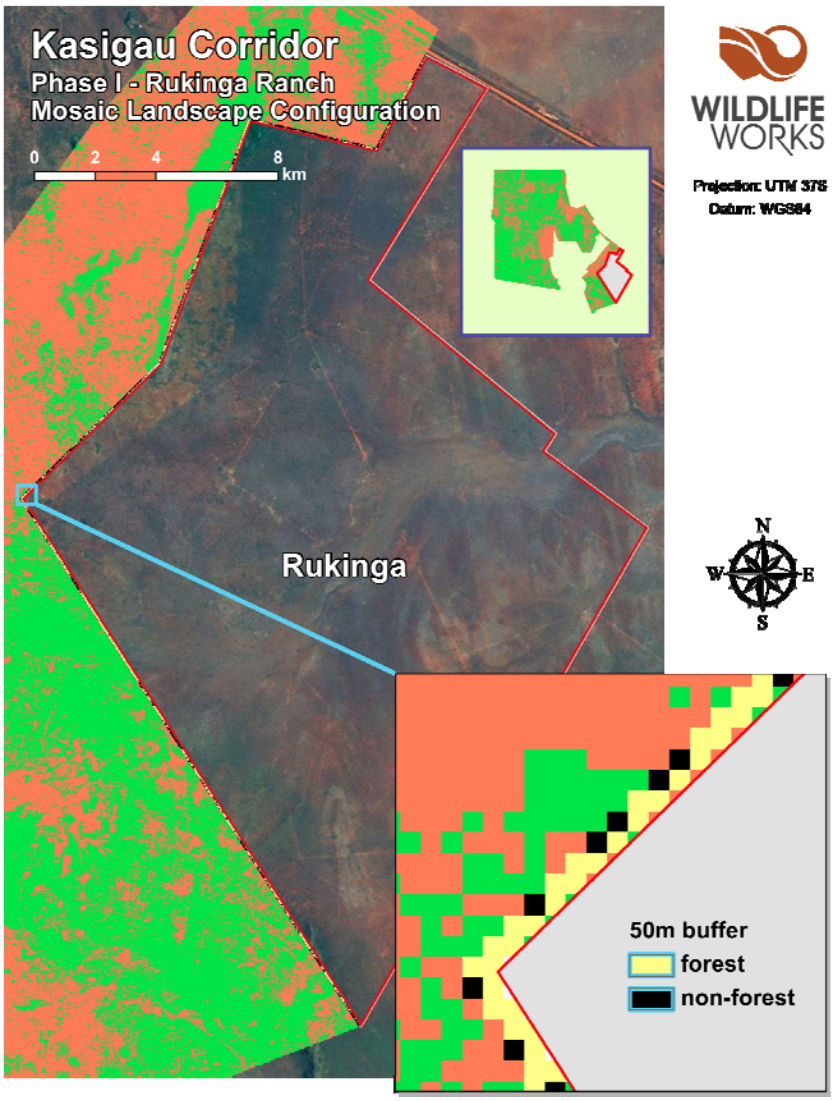
1. Description of Project:

1.1 Project title

The Kasigau Corridor REDD Project – Phase I Rukinga Sanctuary

1.2 Type/Category of the project

This project falls under VCS sectoral scope 14 Agriculture, Forestry and Other Land Uses, under project activities Reduced Emissions from Deforestation and Degradation (REDD) and most specifically Avoiding unplanned mosaic deforestation and degradation (AUMDD). This project falls into this category by the definition provided in the VCS Program Update of May 24th 2010, by virtue of the fact that > 25% of the boundary of the Project Area is within 50m of land that was anthropogenically deforested in the ten years prior to the project start date, as illustrated in the table and map below.



Rukinga Landscape Configuration Analysis	
Imagery date: 02-06-2003	
Imagery source: Landsat 7 (ETM+)	
Total Ranch Perimeter (km)	84.05338
Perimeter coincident with reference region (km)	42.8745
coincident ratio	51.00%
Coincident forest (px)	1034
Coincident non-forest (px)	1147
% deforested (coincident w/ reference region)	52.59%
Total % deforested within 50m (Rukinga perimeter)	**26.83%**

This is not a Grouped Project.

1.3 Estimated amount of emission reductions over the crediting period including project size:

Rukinga Sanctuary (the project area) is 30,168.66 ha. The project is neither a mega nor a micro project, as the estimated gross emissions reductions over the 30 year crediting period are 7,542,945 m.t. GHG or on average, 251,432 m.t. GHG per year.

1.4 A brief description of the project:

Through a combination of Dryland Forest protection and extraordinary community sustainable development activities, this project is estimated to avoid the emission of over 7 Million metric tonnes of CO2e which would have been emitted due to slash and burn deforestation over the 30 year project life, or on average approximately 251,432 metric tonnes per year across the Carbon Pools of Above and Belowground Biomass (forest carbon), and Soil Carbon.

The Project Area is home to a fantastic diversity of mammals (over 50 species of large mammal, more than 20 species of bats), birds (over 300 species) and important populations of IUCN Red List species such as Grevy's zebra (*Equus grevyi*), Cheetah (*Acinonyx jubatus*), Lion (*Panthera leo*) as well as over 500 African elephants (*Loxidonta africana*) seasonally.

The project is clearly additional (under the project financial additionality tool) and the Baseline far from being hypothetical is an extension of actual deforestation that was occurring aggressively in the reference region immediately adjacent to the Project Area at the time Wildlife Works came on the scene, and that has been demonstrated clearly from historic satellite images.

1.5 Project location including geographic and physical information allowing the unique identification and delineation of the specific extent of the project:

The Kasigau Corridor REDD Project is located in SE Kenya, in the Marungu Sublocation, Voi Division, Taita Taveta District, Coast Province, Kenya, approximately 150 kms NW of Mombasa.

This Phase I PD covers all the land known as Rukinga Sanctuary which is all that 74,516 acres (30,168.66 ha) of land originally known as LR 12263, historically reduced by subdivisions 12263/1 and 12263/2 at dates prior to the start date of this project.

Rukinga is part of that land that forms a corridor of land (the Kasigau Wildlife Corridor) between the Tsavo East National Park and the Tsavo West National Parks to the East of the Marungu range. The Project Area and Reference Region are clearly delineated in the image below, and the shape files representing the boundaries have been made available to the project validator. The land within the project boundary has been tropical dryland forest[1] for at least 20 years and has been a primary forest since recorded times[2].

1.6 Duration of the project activity/crediting period:

The Project Start Date and the Crediting Period Start Date are both January 1st, 2005.
VCS project crediting period: The VCS Project Crediting Period is January 1st 2005 thru December 31st 2034.

1.7 Conditions prior to project initiation:

It was not difficult to identify the baseline scenario for this project which is rapid deforestation due to unplanned slash and burn agricultural expansion by subsistence farmers, as all the conditions of the baseline were in place before the arrival of Wildlife Works and in fact even the Project Area itself was beginning to be cleared before we arrived. There is little need for speculation as to what would happen in the absence of our project if we ceased to protect the Project Area and ceased to provide alternative livelihoods for the community, the pattern of deforestation would pick up right where it left off, but now accelerated by a much larger population base than was present when we arrived.

The Project Area had previously been used for grazing of cattle and for ecotourism. Both activities failed due to lack of funds, because cattle ranching is difficult due to a fragile ecosystem and lack of water, which lead to the sale of the land to the current owners in 2000.

Aforestation of plantation species and agricultural activities cannot profitably be carried out in this sort of area due to a lack of water and a fragile ecosystem. Therefore we believe that we have demonstrated through our activities to attempt many different economic activities and the activities that preceded us that there are no credible alternative economic uses for this land that could compete with the Project financially, or provide financial sustainability that would protect it from slash and burn use by the community.

1.8 A description of how the project will achieve GHG emission reductions and/or removal enhancements:

Refer to Supporting Document - VCS Methodology PD Requirements Section 6.1.

1.9 Project technologies, products, services and the expected level of activity:

Refer to Supporting Document - VCS Methodology PD Requirements Section 6.1.

1.10 Compliance with relevant local laws and regulations related to the project:

It is our belief that Wildlife Works meets all local, National and International laws related to this project.
The laws that are relevant to this project are:

[1] UN IPCC, Good Practice Guidance for LULUCF, Table 3A.1.8;
[2] Earliest record that has been located is dated 1895 which identifies the area as forested [Hobley 1895 – Upon a Visit to Tsavo and the Taita Highlands – The Geographical Journal 1895 Vol 5 No 6 pp 545-561]

EMPLOYMENT LAWS.

- Export Processing Zone's Act (Cap. 547)

As an Export Processing Zone Company we are exempted from the standard Labour Laws of Kenya, and instead must conform to those laws that that have been deemed applicable to (General Provisions of the Employment Act (Cap 226-229) or amended for EPZs as covered by the Export Processing Zone's Act (Cap. 547).

- National Health Insurance Fund.

N.H.I.F was established on 12th July 1966 by an act of parliament Cap 255 of the Laws of Kenya, and become a state corporation on 15th February 1999 through an act of Parliament no.9 of 1998. The objective of its establishment is to enable majority of Kenyans to access healthcare services at supplemented costs. Contribution to the fund are compulsory for all persons whose income is Ksh.1000/= and above. We physically go to the NHIF offices in Voi monthly to submit our monthly payroll and have the NHIF amount calculated by them, we pay and they give us a receipt. We are also subject to random checks with the NHIF inspector visiting our facility without notice and inspecting our books. We have never been found in violation of this act.

- The National Social Security Fund act ,Cap 258, is a government fund established by the National Social Security Fund Act,1965 ,For the benefit of the Members. It is a compulsory savings scheme into which the employer pays a statutory contribution for every employee who is a member. We physically go to the NSSF offices in Voi monthly to submit our monthly payroll on a NSSF form, and we pay the monthly dues. We are subject to strict audit checks by the NSSF inspector who visits our facility every two months and on passing the audit provides us with an official letter indicating we are in compliance. We have never been found in violation of this act.

- Pay As you Earn(P.A.Y.E)

Section 37 of the Income Tax act.
The "Pay As You EARN" method of deducting income tax from salaries and wages applies to weekly wages, Monthly salaries, annual salaries, bonuses, commissions, Directors fees (Whether the director is resident or non-resident). Monthly we are required to go to the bank (Kenya Commercial Bank = KCB) to pay the tax withheld from our employees wages and salaries, the bank takes one folio from our KRA receipt book, and stamps the other two folios, one of which we then take to the KRA office in Voi and give it to them.

- The Factories and Other Places of Work Act

The Factories Act (Cap. 514) deals with the health, safety and welfare of an employee who works in a factory or other place of work. We have never been audited by this department in the Government as it is very small and covers the whole country, however we have good reason to believe we are in full compliance with this act as a result of a third party audit of our factory and operations performed by the independent NGO Verite,from the USA.

- The Work Injury Benefits Act (Cap. 236) provides for ways through which an employee who is injured when on duty may be compensated by the employer. We are required to maintain private insurance to cover our responsibility under this act.

- Regulation of Wages and Conditions of Employment Act (Cap. 229)

This act sets the conditions of work and the minimum wage guidelines. The EPZ Act supersedes this act with regard to minimum wage and in fact the EPZ minimum wage guidelines are slightly higher than the National Employment Act guidelines.

- Labour Relations Act, 2007 (Acts No. 14)

This is the new version of the old Trade Unions Act and the Trade Disputes Act, revised to harmonize the old Trade Acts with Kenya's recent ratification of many of the elements of the ILO Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87). We are required to provide our workers with the freedom of association. We are required to honor a dispute process as laid out in the act. We currently have no collective bargaining agreement in place nor are we required to do so. To the best of our knowledge none of our employees belong to any Trade Unions, and it is our belief that our employees do not at this time feel that the benefits of membership outweigh the

costs of dues which are born solely by them under the Act. We have never had a dispute with any employee that resulted in any collective action, lock out etc. and we have no disputes at all at this time, and we believe that we are in full compliance with this Act. To ensure that employees are aware of their rights under the Act, we have added the following language to all employment contracts issued by Wildlife Works;

"Wildlife Works, EPZ Ltd. acknowledges the importance of the recently enacted Labour Relations Act 2007, and therefore we wish to inform you that you are entitled to Freedom of Association, and specifically to join the Kenya Textile Workers Union(KTWU) should you so choose. Should you choose to join the KTWU, all membership dues and agency fees for the Union will be payable directly by you."

CORPORATE LAWS.

- Companies Act, (Law of Kenya Cap. 486);

We must remain a company in good standing, and are required to maintain our Corporate records with The Registrar of Companies in Nairobi annually.

- Bankruptcy Act (Cap. 53);

Lets hope this never applies to us.

LAND and ENVIRONMENT LAWS.

- Environmental Management and Coordination Act (Act 8, 1999)

We were required to undergo an environmental audit by the National Environmental Management Authority. We passed.

- Registration of Titles Act:

The terms of the Title Deed by which Rukinga Ranching Company Ltd is the owner of Rukinga Ranch are governed by this Act.

LOCAL DISTRICT LAWS.

County Council of Taita Taveta Rates are paid at the rate determined under the local By-Laws of our District.
It is confirmed that:

- the project is in compliance with all national laws and license requirements relating to conservation projects in Kenya; and

- there is no law mandating that the Land is a conservation area. It is noted that no category of land use relating to conservation exists under Kenyan law. The current land use category for the Rukinga Sanctuary project and other privately owned conservation projects is classified as agriculture.

1.11 Identification of risks that may substantially affect the project's GHG emission reductions or removal enhancements:

The major risks that could have an impact on the project are:

- Change in legislation – government expropriating the Land through compulsory purchase for development scheme; as the Government of Kenya is very supportive of our project and has no recent history of expropriation of private conservation lands this risk is very low. We will continue to seek international press for our project as keeping it in the spotlight ensures the Government remains aware of the values it is providing to the country;

- Income - Risk that carbon market revenues do not eventuate or are less than adequate to sustain the project financially; our financial sustainability was modeled at very conservative Carbon offset sale values, and we have a very well known project with high potential value in the marketplace

so the likelihood of this occurring is small, especially in light of existing offtake contracts for the life of the project with BNP Paribas and Nedbank, two major international banks;

- Crop Failure - substantial and repeated crop failure in surrounding communities could lead to increased poaching and use of trees for financial benefit; this is very likely and all of our alternative economic development efforts are aimed at mitigating this risk, and we have demonstrated the ability to prevent this risk from damaging the forest for almost ten years;

- Invasion of cattle grazers due to famine in adjacent communities, or lack of grazing elsewhere. However any influx of cattle only affects quantity of grass on Project Area and leads to no significant change in carbon stock. Again this is possible especially as the Somalis have used land in this area to feed and water their cattle over the years, sometimes with permission sometimes without, however the increasing aridity in the area we believe will force the Somali's to look elsewhere for rangelands. We will be using funds from the Carbon project to increase Ranger patrolling to better protect the Project Area and Leakage Area from illegal incursions;

- Drought – drought is an increasing reality in this part of Kenya and we anticipate that with Climate Change it will only worsen in the years covering the project crediting period. Drought introduces two additional risks;

- Wildlife – drought obviously places a lot of stress on wildlife in the Project Area, and Leakage Area. However many of the species living in this ecosystem are extraordinarily drought adapted, and have no problem surviving in extended drought. For those that aren't we plan to continue to provide emergency water sources at Rukinga as we have for the past ten years;

- Cash crops – drought will make the survival of cash crops, such as jojoba, citrus trees etc. more difficult but these high value cash crops will be planted sparingly and need much less water than an entire field of maize, and are able to survive higher temperatures, provided they receive some water, which the farmers will be in a position to provide to preserve the financial value of the crop;

- Fire – grass fires are common in the region due to the intense heat and dry conditions, although naturally occurring fires are extremely rare, so our strategy is to continue to educate the local population especially the youth about the dangers of burning fallows to improve grazing for their animals. Fires tend to burn the grasses and shrubs but move quickly and do not kill the trees which have become tolerant of grass fires.

1.12 Demonstration to confirm that the project was not implemented to create GHG emissions primarily for the purpose of its subsequent removal or destruction.

The Baseline emissions case has nothing to do with the Project Proponent, who entered the scene expressly to prevent the deforestation of the Kasigau Corridor.

1.13 Demonstration that the project has not created another form of environmental credit (for example renewable energy certificates).

The project has not created another form of environmental credit, and as far as we know is not eligible for any other form of environment credit.

1.14 Project rejected under other GHG programs (if applicable):

Not Applicable

1.15 Project proponents roles and responsibilities, including contact information of the project proponent, other project participants:

The Project Proponent for the Kasigau Corridor REDD Project – Phase I Rukinga Sanctuary is Wildlife Works Inc., a California Corporation in good standing. Wildlife Works Inc. acquired the carbon rights from the landowner, Rukinga Ranching Company Ltd. after a process of Free Prior and Informed Consent, through a Carbon Rights Agreement/Easement that was approved by a full vote at an AGM of the Shareholders at Rukinga on February 13th 2009, at which AGM the Shareholders present were given an explanation of the potential of the Carbon project, a copy of which has been provided to the Validator, and following which the Shareholders unanimously approved the pursuit of this opportunity by the Managing Director and majority shareholder of the land, Mike Korchinsky. This decision was ratified again unanimously by an extraordinary general meeting of shareholders of Rukinga Ranching Company Ltd on December 9th, 2009.

The carbon project is managed in the field in Kenya by Wildlife Works Carbon LLC, a joint venture of Wildlife Works, Inc. and Colin Wiel Investments II, in return for which Wildlife Works Carbon LLC is eligible for a share of the proceeds from the sale of the carbon credits generated by the project. Details of this arrangement are specified in the Membership Agreement of Wildlife Works Carbon LLC, which was provided to the Validator.

Contacts:
Wildlife Works Inc.:
Founder & CEO – Mike Korchinsky
Tel: +1-415-332-8081
Fax: +1-415-332-8057
Email: mike@wildlifeworks.com

Wildlife Works Carbon, LLC.:
President – Mike Korchinsky

1.16 Any information relevant for the eligibility of the project and quantification of emission reductions or removal enhancements, including legislative, technical, economic, sectoral, social, environmental, geographic, site-specific and temporal information.):

Wildlife Works is working closely with the REDD Focal Point within the Government of Kenya to ensure that any future REDD legislation considers Projects such as this in the design of sub-national nesting rules. We do not believe there are any issues that could effect the eligibility of the project. All information related to the quantification of emission reductions has been detailed in the appropriate sections of the Supporting Document - VCS Methodology PD Requirements.

1.17 List of commercially sensitive information (if applicable):

The Carbon Rights Agreement between Wildlife Works, Inc. and Rukinga Ranching Company, Ltd contains commercially sensitive information and has been excluded from the public version of the PD. It was of course provided to the Validator during validation.

The Membership Agreement of Wildlife Works Carbon LLC between Wildlife Works, Inc. and Colin Wiel Investments II contains commercially sensitive information and has been excluded from the public version of the PD. It was of course provided to the Validator during validation.

2 VCS Methodology:

2.1 Title and reference of the VCS methodology applied to the project activity and explanation of methodology choices:

This project used the VM0009 Methodology for Avoided Mosaic Deforestation of Tropical Forests, approved by the VCS for sectoral scope 14 on January 11th, 2011.

2.2 Justification of the choice of the methodology and why it is applicable to the project activity:

VM0009 Methodology for Avoided Mosaic Deforestation of Tropical Forests was developed by the Project Proponent based on their experience on this Project, and was developed to be especially suited to the slash and burn agricultural conditions found in this project, and the mitigation activities conducted by the Project Proponent in this project. This project meets all of the applicability conditions of the methodology.

2.3 Identifying GHG sources, sinks and reservoirs for the baseline scenario and for the project:

Refer to Supporting Document - VCS Methodology PD Requirements Sections 5.3 and 5.4.

2.4 Description of how the baseline scenario is identified and description of the identified baseline scenario:

Refer to Supporting Document - VCS Methodology PD Requirements Section 6.1.

2.5 Description of how the emissions of GHG by source in baseline scenario are reduced below those that would have occurred in the absence of the project activity (assessment and demonstration of additionality):

Refer to Supporting Document - VCS Methodology PD Requirements Sections 6.1 and 7.

3 Monitoring:

3.1 Title and reference of the VCS methodology (which includes the monitoring requirements) applied to the project activity and explanation of methodology choices:

This project used the VM0009 Methodology for Avoided Mosaic Deforestation of Tropical Forests, approved by the VCS for sectoral scope 14 on January Nth, 2011.

VM0009 Methodology for Avoided Mosaic Deforestation of Tropical Forests was developed by the Project Proponent based on their experience on this Project, and was developed to be especially suited to the slash and burn agricultural conditions found in this project, and the mitigation activities conducted by the Project Proponent in this project. This project meets all of the applicability conditions of the methodology.

3.2 Monitoring, including estimation, modelling, measurement or calculation approaches:

Refer to Supporting Document - VCS Methodology PD Requirements Sections 13.14.

3.3 Data and parameters monitored / Selecting relevant GHG sources, sinks and reservoirs for monitoring or estimating GHG emissions and removals:

Refer to Supporting Document - VCS Methodology PD Requirements Sections 13.14.

3.4 Description of the monitoring plan

Refer to Supporting Document - VCS Methodology PD Requirements Sections 13.14.

4 GHG Emission Reductions:

4.1 Explanation of methodological choice:

This project used the VM0009 Methodology for Avoided Mosaic Deforestation of Tropical Forests, approved by the VCS for sectoral scope 14 on January 13th, 2011.

VM0009 Methodology for Avoided Mosaic Deforestation of Tropical Forests was developed by the Project Proponent based on their experience on this Project, and was developed to be especially suited to the slash and burn agricultural conditions found in this project, and the mitigation activities conducted by the Project Proponent in this project. This project meets all of the applicability conditions of the methodology.

4.2 Quantifying GHG emissions and/or removals for the baseline scenario:

Refer to Supporting Document - VCS Methodology PD Requirements Section 8.

4.3 Quantifying GHG emissions and/or removals for the project:

Refer to Supporting Document - VCS Methodology PD Requirements Section 11.

4.4 Quantifying GHG emission reductions and removal enhancements for the GHG project:

Refer to Supporting Document - VCS Methodology PD Requirements Section 11.

5 Environmental Impact:

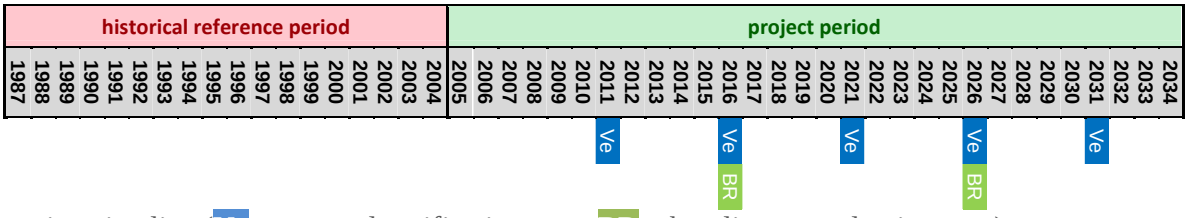
We were required to undergo an environmental audit by the National Environmental Management Authority. We passed. Results provided for review by the Validator.

6 Stakeholders comments:

Stakeholder comments were solicited via public comment periods on the internet, and by postings on local area notice boards. Copies of the public comments received were provided to the Validator.

7 Schedule:

A complete timeline of Project Activities was provided to the Validator. The overall Schedule for the project is shown below. Project Start Date and Crediting Period Start Date are both January 1st 2005, and Project end Date is December 31st 2034. Project Activities began on January 1st 2005, with an escalation of activities in 2009 after receipt of initial carbon project finance, costs prior to 2009 being born solely by the Project Proponent.



project timeline (Ve = external verification year, BR = baseline re-evaluation year)

8 Ownership:

8.1 Proof of Title:

Rukinga Ranching Company Ltd has legal title to all of the land of the Project Area, known as Rukinga Sanctuary. A copy of the title deed was provided for the Validator. Wildlife Works Inc. acquired the carbon rights from the landowner, Rukinga Ranching Company Ltd. after a process of Free Prior and Informed Consent, through a Carbon Rights Agreement/Easement that was approved by a full vote at an AGM of the Shareholders at Rukinga on February 13th 2009, at which AGM the Shareholders present were given an explanation of the potential of the Carbon project, a copy of which has been provided to the Validator, and following which the Shareholders unanimously approved the pursuit of this opportunity by the Managing Director and majority shareholder of the land, Mike Korchinsky. This decision was ratified again unanimously by an extraordinary general meeting of shareholders of Rukinga Ranching Company Ltd on December 9th, 2009.

8.2 Projects that reduce GHG emissions from activities that participate in an emissions trading program (if applicable):

Not Applicable