

## BLUFOREST, INC. BLUF Signs Potentially Lucrative LOI

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<b>BLUFOREST, INC. (OTC:QB – BLUF - \$1.15)</b>	
Price Target: \$7.00	Rating: Speculative Buy

### COMPANY SNAPSHOT

With a focus on reforestation, BluForest, Inc. is an early stage carbon offsets marketing company. The first stage of the Company's business model includes the sale of carbon offsets through our website to voluntary markets where no verification is required. Upon receiving the required verification, BluForest plans to sell verified carbon offsets through global restoration projects. The offsets will be validated and verified for sale to companies, foundations, and other entities that, for branding, policy and corporate social responsibility reasons, wish to offset their carbon footprints to support climate change mitigation efforts.

### KEY STATISTICS

Price as of 8/8/13	\$1.15
52 Wk High – Low	\$179.70– 0.03
Est. Shares Outstanding	103.5M
Market Capitalization	\$124M
3 Mo Avg Vol	132,000
Exchange	OTC:QB

### COMPANY INFORMATION

BluForest Inc.  
Ave. Republica del Salvador y Shyris  
Edificio Onix Piso 10-C  
Quito Ecuador  
855.509.5508  
[info@BluForest.com](mailto:info@BluForest.com)

### INVESTMENT HIGHLIGHTS

Earlier this month, BluForest announced that it signed a LOI with Global Fuel Limited for the pre-purchase of two tons of carbon credits per hectare per year owned by BluForest Inc., commencing September 2013. This proposed transaction seeks to execute the shipment of carbon-free or carbon-neutral oil, via the pre-purchase of carbon credits.

Under the terms of the LOI, BluForest will assign a first priority lien to the property held in assets of BluForest Inc. in Ecuador known as "Hacienda Juval" consisting of 105,000 Hectares. According to the Company, the prospective partner has already examined the appraisals and audits of BluForest Inc.'s property. If the deal were to close as currently structured, management believes it could be worth \$12M in annual revenue to the Company, thus monetizing these assets for the first time.

It should be noted that there are penalty clauses should BluForest fail to deliver or make a repayment as defined in the signed General Security Agreement, with Global Fuel Limited earning the right to attach the herein mentioned assets in priority, without dispute. However, as this is an LOI, terms are subject to change.

Our investment thesis that BluForest could become a major player in the sale of verified carbon offsets through reforestation is largely based upon the Company's balance sheet.



## BLUFOREST, INC. (OTC:QB BLUF)

BluForest carries the Ecuador property on its books at a \$695M estimated value, as per its most recent filing. The value assessed this property was prepared by a noted 3<sup>rd</sup> party appraiser and approved by an SEC sanctioned auditor. On the surface it appears to be incredibly high which has led to a controversy among investors regarding the validity of this audit. Since it has passed through FINRA and a number of filings and has been performed by a properly credentialed entity, we continue to use this figure as the primary source of the Firm's valuation, pending any revelations or official reports to the contrary. To further this sentiment, we look forward to the pending closing of the LOI so that more color can be provided on its financial prospects and the present tangible value of the property.

### Recent Trading History For BLUF

(Source: Stockta.com)



**Senior Analyst: Robert Goldman**



## BLUFOREST, INC. (OTC:QB BLUF)

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

### Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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