ANCA

A Venezuelan woodchips producer

ANCA: Astillas Nacionales C.A

September, 2018
Venezuela

North of South America

Territory: 916,445 Km²
Inhabitants: 31 MM
Climate:
- Tropical
- 18 – 29 C
Seasons: Rain and no rain

Business environment

Venezuela is going through a severe crisis. In the world, the country has the biggest: inflation, devaluation and fall of gross domestic product.

Business opportunity

The forestry industrial sector has been selected as a priority in the current recovery economy national plan.
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- A private company
- With ten years producing wood chips
- Doing on our own, all the necessary activities, from the logging until the vessel dispatch.
Locations

- Eastern center area
- South of the Monagas state
- On the edge of the Orinoco river

Port Location:
Población de Punta de Piedra, Sector San Roque, Municipio Sotillo, Estado Monagas, Venezuela
Land of 900,000 mt²

Chipmaker
150 Km from plantation

Woodchips storage
300 meters from chipmaker

Punta de Piedra Port
1 Km from storage
26 hours of navigation on the river until the Atlantic Ocean
Our offer

<table>
<thead>
<tr>
<th><strong>Product/good</strong></th>
<th>Debarked Pine Woodchips, mechanically chipped</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Condition</strong></td>
<td>Green metric tons in bulk condition cargo</td>
</tr>
<tr>
<td><strong>Forestry specie</strong></td>
<td>Caribbean pine / Pinus caribaea. Hondurensis variety</td>
</tr>
<tr>
<td><strong>Provenience</strong></td>
<td>A plantations property of Venezuelan State</td>
</tr>
<tr>
<td><strong>Located at</strong></td>
<td>South of Monagas and Anzoátegui states</td>
</tr>
<tr>
<td><strong>Woods chips size</strong></td>
<td>Width 15 a 45 mm; Thickness 3-5 mm; Long 40 mm</td>
</tr>
<tr>
<td><strong>Bark &amp; rot content</strong></td>
<td>&lt; 1% (express as a percentage of green weight)</td>
</tr>
<tr>
<td><strong>Humidity content</strong></td>
<td>28 – 35 %</td>
</tr>
<tr>
<td><strong>Stowage factor</strong></td>
<td>100 to 110 cubic feet/green metric ton</td>
</tr>
</tbody>
</table>
Ships dispatched

Last shipment arriving to Bordeaux (17/08/2018)

<table>
<thead>
<tr>
<th>Year</th>
<th>GMT (000)</th>
<th>Humidity (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>123</td>
<td>32</td>
</tr>
<tr>
<td>2011</td>
<td>259</td>
<td>35</td>
</tr>
<tr>
<td>2012</td>
<td>278</td>
<td>35</td>
</tr>
<tr>
<td>2013</td>
<td>293</td>
<td>33</td>
</tr>
<tr>
<td>2014</td>
<td>395</td>
<td>33</td>
</tr>
<tr>
<td>2015</td>
<td>104</td>
<td>33</td>
</tr>
<tr>
<td>2016</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>2017</td>
<td>4</td>
<td>30</td>
</tr>
<tr>
<td>2018</td>
<td>15</td>
<td>30</td>
</tr>
</tbody>
</table>
ANCA key attributes

- **Plantation**: 51,000,000 m³, 90% Caribbean Pine
- **Logging**: 28,000 m³ per week
- **Fleet**: 100 heavy duty trucks
- **Chipmaker**: 1,000,000 Green Meter Tons annually
- **Stowage**: 800 GMT x hour
The plantation is a national project - started 50 years ago
Administrated by a specialize government agency in charge for the forest management and cultivation

Currently

367,000 hectares cultivated
20,000 hectares annually sowing, based on:

2 centers of Caribbean Pine seeds production
4 nurseries plants production centers
The plantation land is divided in parcels with uniformity composition
Each parcel has 100 hectares and 14,000 cubic meters

The plantation owner sells timber as it stands, by parcel
One of the ANCA assets: 7,280,000 cubic meters, totally paid

ANCA = 7,280,000 cubic meter (Allowable cut, > 16 years)
Business structure

ANCA Holding

ANCA
- Venezuelan operations

Ecowood Trading
- International representation and commercialization

Contact:
- acristancho@astillasnacionales.com
- lortega@astillasnacionales.com
- esilva@astillasnacionales.com
- info@ecowoodtrading.at
Summary

Venezuela

At macro level, problems and risks.
At micro level, we may find successful operations.

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Next steps

International Forest Legality Certification
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