



London 27 September 2007

## **ECX ANNOUNCES DELAY IN LAUNCH OF CER CONTRACTS**

The European Climate Exchange, who had previously indicated a September launch of futures and options contracts on Certified Emission Reductions (CERs) to be traded on ICE Futures Europe, today announced the launch has been delayed. ECX aims to notify market participants of a revised launch date as soon as possible.

The postponement of the launch is due to a delay in the finalisation of clearing arrangements.

The launch of exchange traded CER contracts is seen as a significant step in the further development of the global emissions trading market. ECX products, listed and traded on ICE Futures Europe, account for over 80% of all exchange based emissions trading in EU Allowances, which places ECX as the ideal market centre for CER trading.

ECX will continue to work with ICE Futures Europe and LCH.Clearnet Limited to facilitate a near-term launch of the CER contracts.

- Ends -

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## **NOTES FOR EDITORS:**

### **About European Climate Exchange**

The European Climate Exchange (ECX) manages the marketing and product development for ECX Carbon Financial Instruments (ECX CFIs), listed and admitted to trading on the ICE Futures Europe electronic platform. ECX contracts are standardised and all trades are cleared by LCH.Clearnet. More than 80 leading businesses have signed up for membership to trade ECX products. In addition, several hundred clients can access the market daily via banks and brokers. ECX/ ICE Futures Europe is the most liquid, pan-European platform for carbon emissions trading, attracting over 80 % of the exchange-traded volume in the market.

ECX/ ICE Futures Europe emissions volumes for its EUA futures and options contracts are experiencing increasing growth. Since launch in April 2005, the EUA futures contract on ECX has seen 1.1 million tonnes CO<sub>2</sub> traded with an underlying market value €21 bn. ECX is a member of the Climate Exchange Plc group of companies. Other member companies include the Chicago Climate Exchange (CCX) and the Chicago Climate Futures Exchange (CCFE). Climate Exchange Plc (CLE) is listed on the AIM market of the London Stock Exchange. For more information, please visit [www.ecxeurope.com](http://www.ecxeurope.com).

### **About CERs**

The **Clean Development Mechanism (CDM)** is an arrangement under the Kyoto Protocol allowing industrialised countries with a greenhouse gas reduction commitment (so-called Annex 1 countries) to invest in emission reducing projects in developing

countries as an alternative to what is generally considered more costly emission reductions in their own countries. The CDM is supervised by the CDM Executive Board (CDM EB) and is under the guidance of the Conference of the Parties (COP/MOP) of the United Nations Framework Convention on Climate Change (UNFCCC).

CDM projects generates **Certified Emission Reduction (CER)** credits to qualifying greenhouse gas reduction projects that also provide development benefits to their non-Annex 1 host country. The CERs will be transferable to industrial countries, where they can be applied toward emissions reduction targets. Once a CER has been issued, it carries the same compliance value as an EUA. EU ETS market participants will thus be able to import CER credits for domestic compliance to cover for some of their shortfall. Other parties interested in trading and investment strategies will also be able to benefit from the addition of a standardized exchange-traded CER futures contract. CDM project transactions for 2006 were valued at €3.9 billion (*World Bank*) and the market continues to see growth in volumes.