

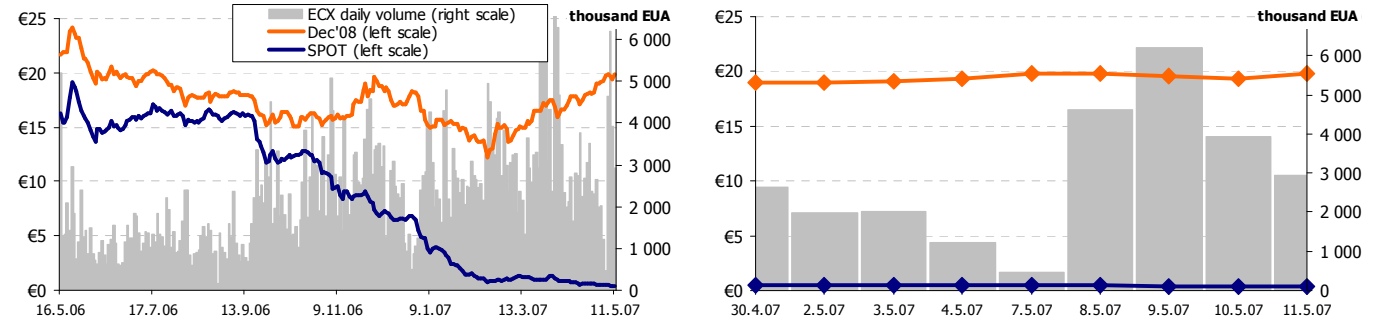
EUA PRICE CLOSE TO TRANSACTION COST LEVEL

May 14

Latvian government plans to sell AAU's

Trading FORWARD:

EUA SPOT and December 2008 Prices and futures volumes on ECX - last twelve month (LTM) and last two weeks



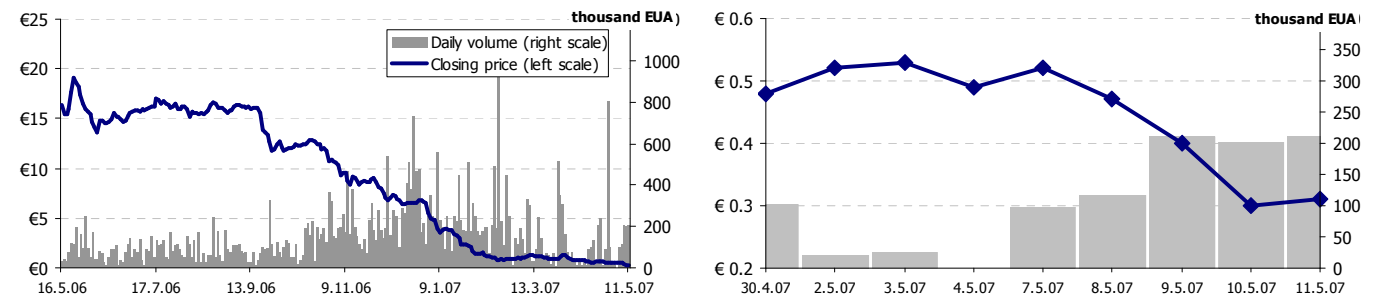
	Price (€/EUA)	Day
Weekly maximum	19.84	Tuesday
Weekly minimum	19.35	Thursday

Source: Powernext, Pointcarbon, ECX

The increase of Dec'08 price at the beginning of the last week was caused by high German power prices and buying support from financials and utilities. Price fall at the end of the week was supported mainly by oil price drop. Total ECX (Forward) volume traded was 18.27 million last week. That was about 78% (or 7.96 million) more than week ago.

Trading SPOT:

EUA Prices and Volumes on Powernext - last twelve month (LTM) and last two weeks



	Price (€/EUA)	Day
Weekly maximum	0.52	Monday
Weekly minimum	0.30	Thursday

Source: Powernext

Oversupply of allowances continues to put downward pressure on price. Last week EUA price drop to its new record low of €0.30 on Thursday, which is just above the transaction costs. Total Powernext (SPOT) volume of allowances traded last week was 0.84 million. That was about 466% (or 0.69 million) more than week ago.

News:

The **Latvian** government intends to sign agreements with the Japan, Netherlands and Finland to sell AAU carbon credits. Latvia may sell credits equivalent to 40 million tons of carbon dioxide for delivery in the five years through 2012. Pilot transactions of as much as 10 million tons may be sold this year or next. Proceeds from AAU's sales will be used for renewable energy projects, energy efficiency improvement, and research and development of low carbon technology. The sale by Latvia could boost supply of carbon credits, causing the price of other types of Kyoto credits (CER's and ERU's) to fall.

NAP2: Countries, which are still waiting for EC final decision: **Cyprus, Denmark, Estonia, Finland, Italy, Portugal, Romania**. Countries that haven't yet submitted NAP2 draft to the EC: **Bulgaria**