

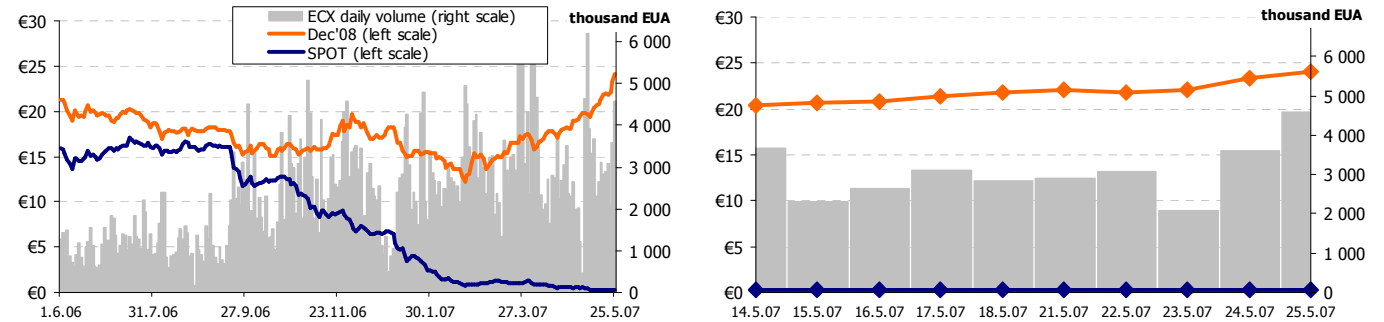
EUA PRICE NEW RECORD LOW AGAIN

May 28

Czech and Poland will sue European Commission for cut in carbon grant

Trading FORWARD:

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



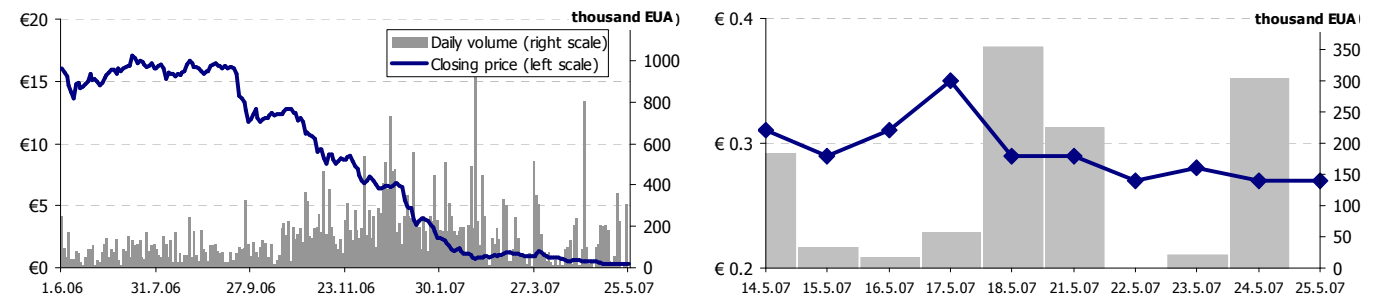
	Price (€/EUA)	Day
Weekly maximum	24.10	Friday
Weekly minimum	21.75	Tuesday

Source: Powernext, Pointcarbon, ECX

Aggressive buying from financials and utilities combine with high oil, gas and German Power prices were the main reasons of the Dec'08 significant growth in the last week. Total ECX (Forward) volume traded was 16.2million last week. That was about 11.4% (or 1.6 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	0.29	Monday
Weekly minimum	0.27	Thursday

Source: Powernext

Oversupply of allowances continues to put downward pressure on price. At the beginning of the last week EUA price drop to its new record low of €0.27 on Thursday. Total Powernext (SPOT) volume of allowances traded last week was 0.55 million. That was about 14.6% (or 0.09million) more than week ago.

News:

The governments of **Czech Republic** and **Poland** decided to pursue legal action against the European commission decision over its NAP's for 2008-2012 period of the EU ETS, according to information released on Friday. The commission ruled on 26 March that the Czech Republic would be allowed to allocate 86.8 million allowances annually. The country had been proposing to receive an annual allocation of 101.9 million but it's emissions in 2005 were only 82.5 million. According to the decision of EC, Poland would be allowed to allocate 208.5 million EUA annually. Poland has initially proposed to receive 284 millions EUA's despite the fact that it's emissions in 2005 were only 203 million. From 21 countries which have already receive the EC decision over its NAP2's previously only Slovakia decided to sue EC. Giving the small likelihood of success of the Polish and Czech legal action it should have negligible influence on the price.

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

Powernext Pravda Capital is a member of Powernext exchange. Compiled using information acquired from Pravda Capital, CO2e.com, Bloomberg, Point Carbon and Powernext.