



PRESS RELEASE

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Global carbon market up 56 % in 2008

Point Carbon, the leading provider of analysis, advisory services and news for the environmental and energy markets, predicts that the global carbon market will see 4.2 billion tonnes CO₂e transacted during 2008, up 56% on last year. At today's prices, the market would be worth €63 billion (\$92bn).

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The figures, published in Carbon Market Analyst "Outlook for 2008", see continued growth in the EU emissions trading scheme (ETS), which Point Carbon reckons will be worth some €46 billion (\$68bn) in 2008. Options and auctions contribute to the increased volume in the EU scheme this year.

"There are several reasons why we expect this growth. Most important, the tightness of the Phase 2 cap is expected to increase the traded volume compared to 2007, simply because more players are short of allowances. The proposed EU climate and energy package of 23 January this year further strengthens this tightness", said Kjetil Røine, manager of Point Carbon's Carbon Market Research team.

Point Carbon's figures also show that developing countries continue to deliver reductions. The Clean Development Mechanism (CDM) saw transactions of 947 Mt in 2007 in the primary and secondary markets, producing a combined value of €12 billion (\$17bn). However, Point Carbon expects the primary CDM market to shrink in 2008, while secondary transactions will continue to grow strongly. The forecast total volume of the CDM market in 2008 would be 1.2 bn tonnes CO₂e, worth €15 billion (\$22bn) at current prices.

Point Carbon also presents volume forecasts for a number of new markets, including the US ten-state Regional Greenhouse Gas Initiative (RGGI), Kyoto country emission allowances (AAUs) and offset trades for future federal cap-and-trade schemes in the US, Australia and Canada. In total, carbon markets outside the EU ETS and CDM are predicted to see transactions worth €1.5 billion (\$2.1bn) in 2008.

"We now see new emissions trading schemes developing worldwide, contributing to a significant momentum in the global carbon market in 2008", Røine commented.

For comments or further more information, please contact:

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About Point Carbon

Point Carbon is the leading global provider of analysis, news, forecasting, information and market intelligence for energy and environmental markets. Point Carbon has global outreach with more than 15,000 subscribers in more than 150 countries. Point Carbon's in-depth knowledge of power, gas and CO₂ emissions market dynamics positions us as the number one supplier of unrivalled market intelligence on these markets. Our staff consists of over 150 specialists and includes experts in international and regional climate policy, mathematical and economic modelling, forecasting methodologies, risk management and market reporting. Point Carbon produces regular reports in English, Japanese, Mandarin, Portuguese, Spanish, Russian, Polish and Norwegian. Point Carbon has offices in Oslo (HQ), Washington, D.C., London, Kiev, Malmö and Tokyo. Please see www.pointcarbon.com for more details.