

CARBON MARKET UPDATE

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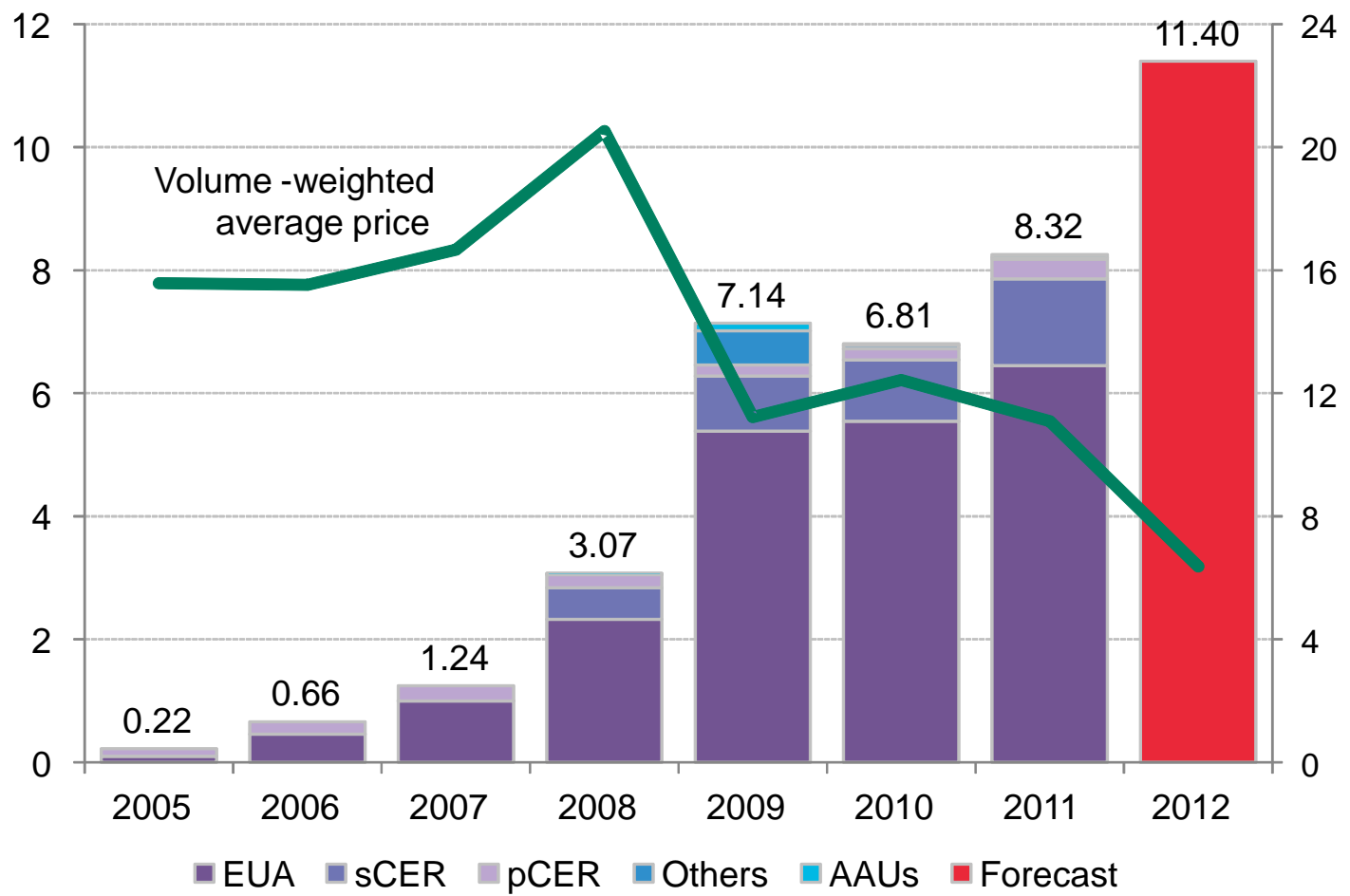
TWITTER @GUYTURNER

OCTOBER 2012

180+ STAFF IN 13 OFFICES

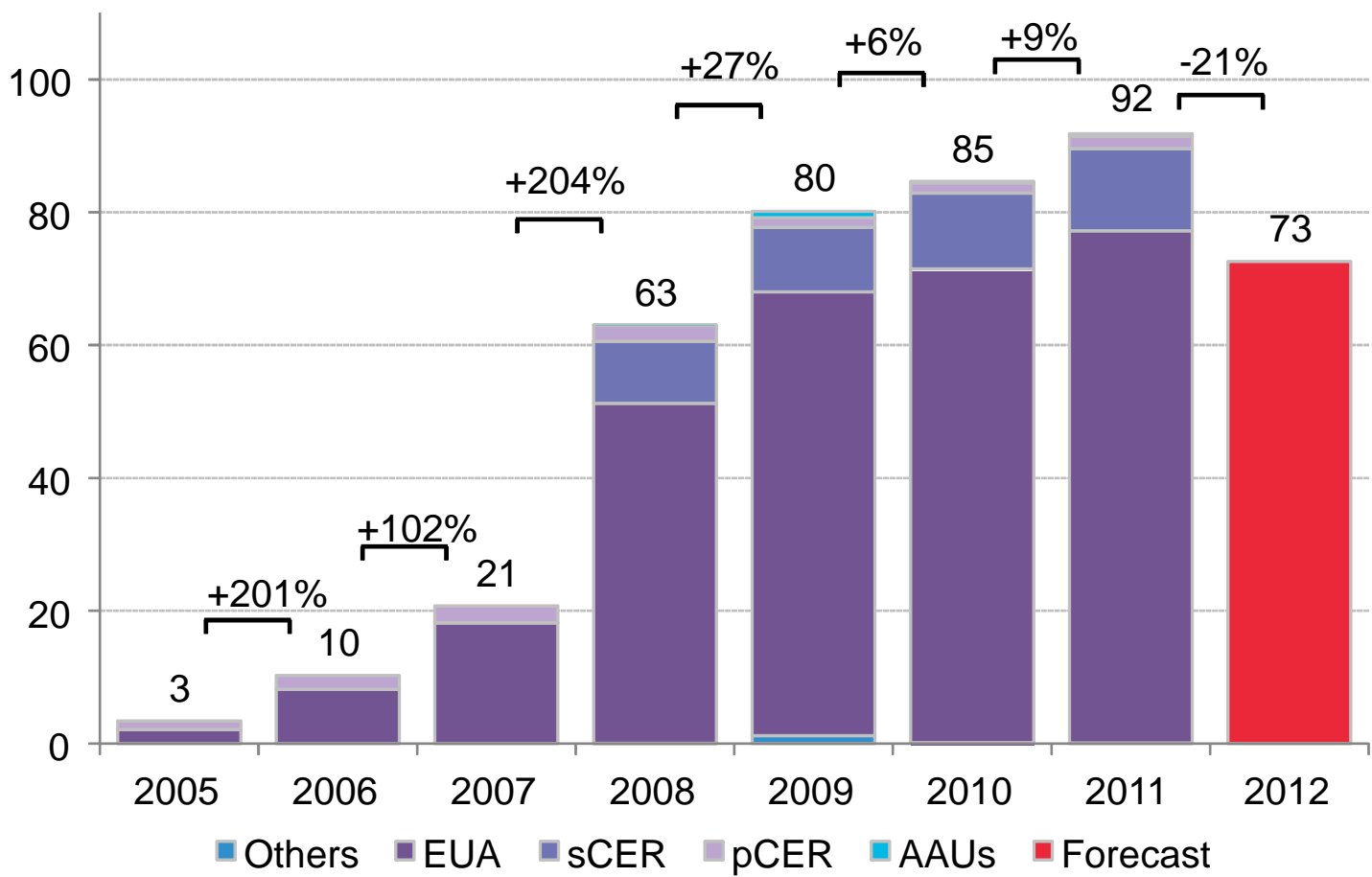


GLOBAL CARBON MARKET VOLUME (MT) AND VOLUME-WEIGHTED AVERAGE PRICE (€/T)



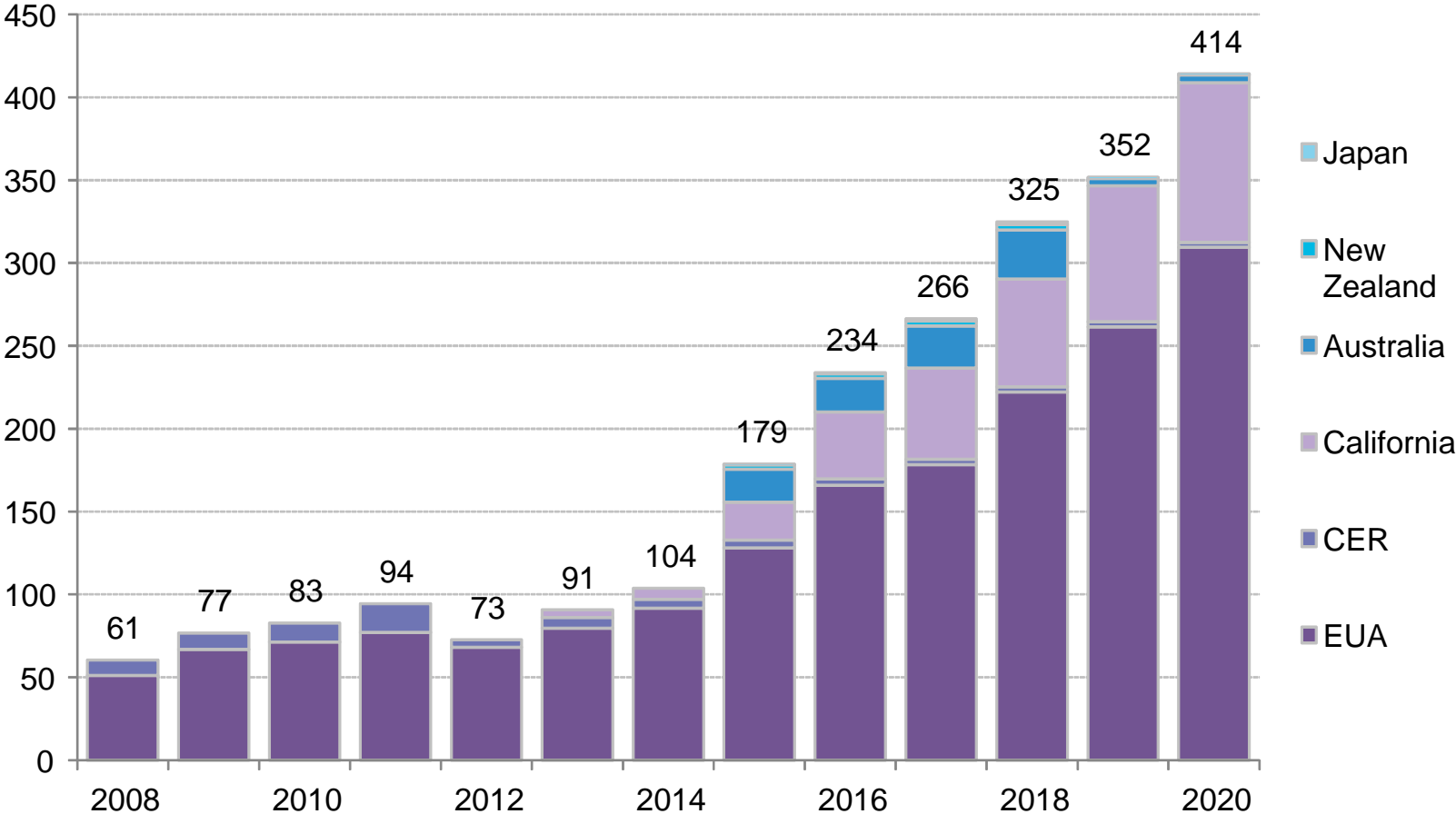
Source: Figures taken from Bloomberg, ECX, Bluenext, EEX, CCX, Nordpool, include UNFCCC and our own Bloomberg New Energy Finance estimations. "Others" includes RGGI and NSW GGAS.

GLOBAL CARBON MARKET VALUE (€BN)



Source: Figures taken from Bloomberg, ECX, Bluenext, EEX, CCX, Nordpool, include UNFCCC and our own Bloomberg New Energy Finance estimations. "Others" includes RGGI and NSW GGAS.

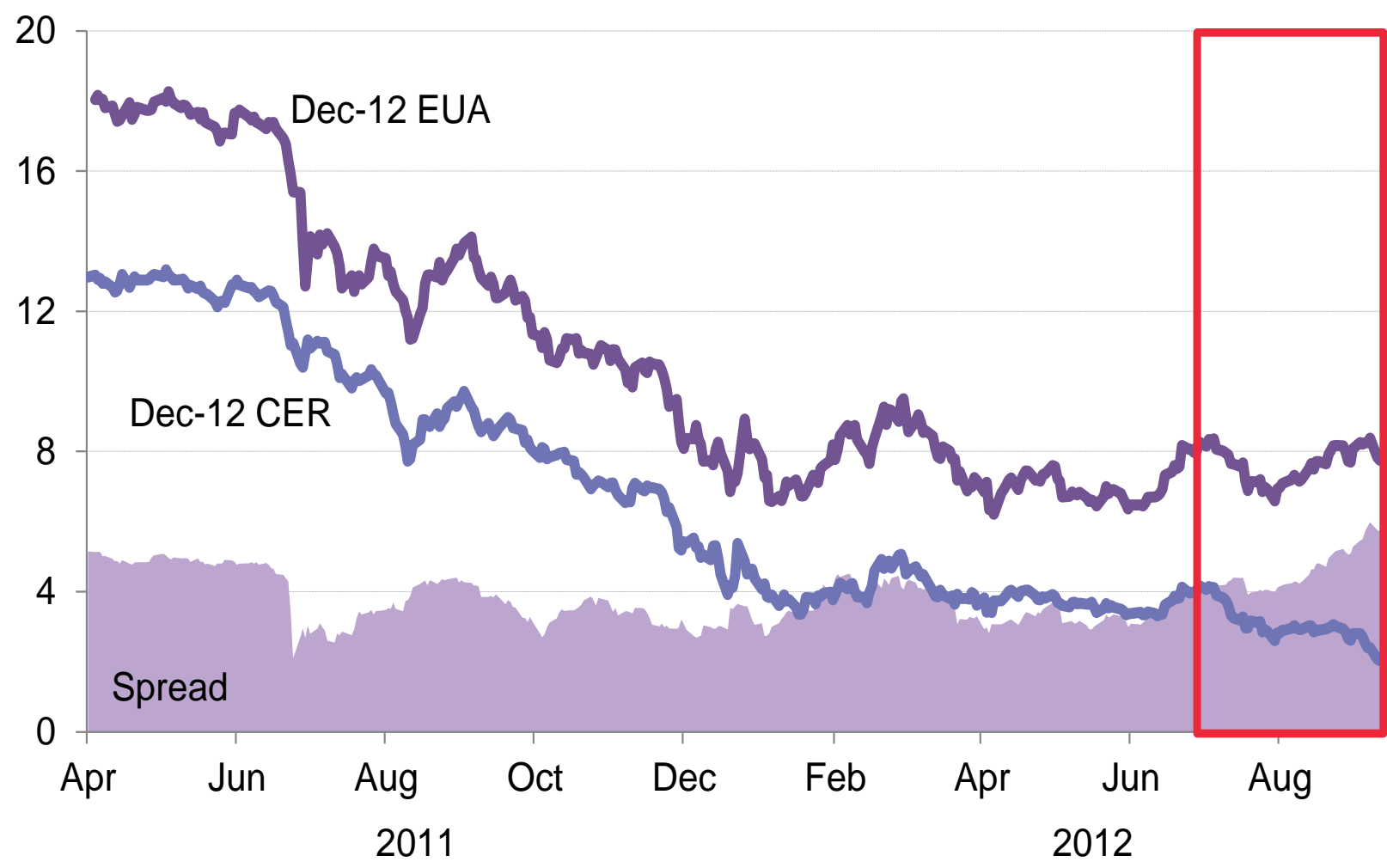
PROJECTED GROWTH OF CARBON MARKET (€BN)



Assumes: EU 21% target in 2020 on 2005 levels, continuation of CDM, oneway linking between EU and Australia, capped markets in South Korea, Japan, Australia, New Zealand, California, Japanese volume includes bilaterral offsets,

Bloomberg New Energy Finance

HISTORICAL PRICES (€/TCO2E)



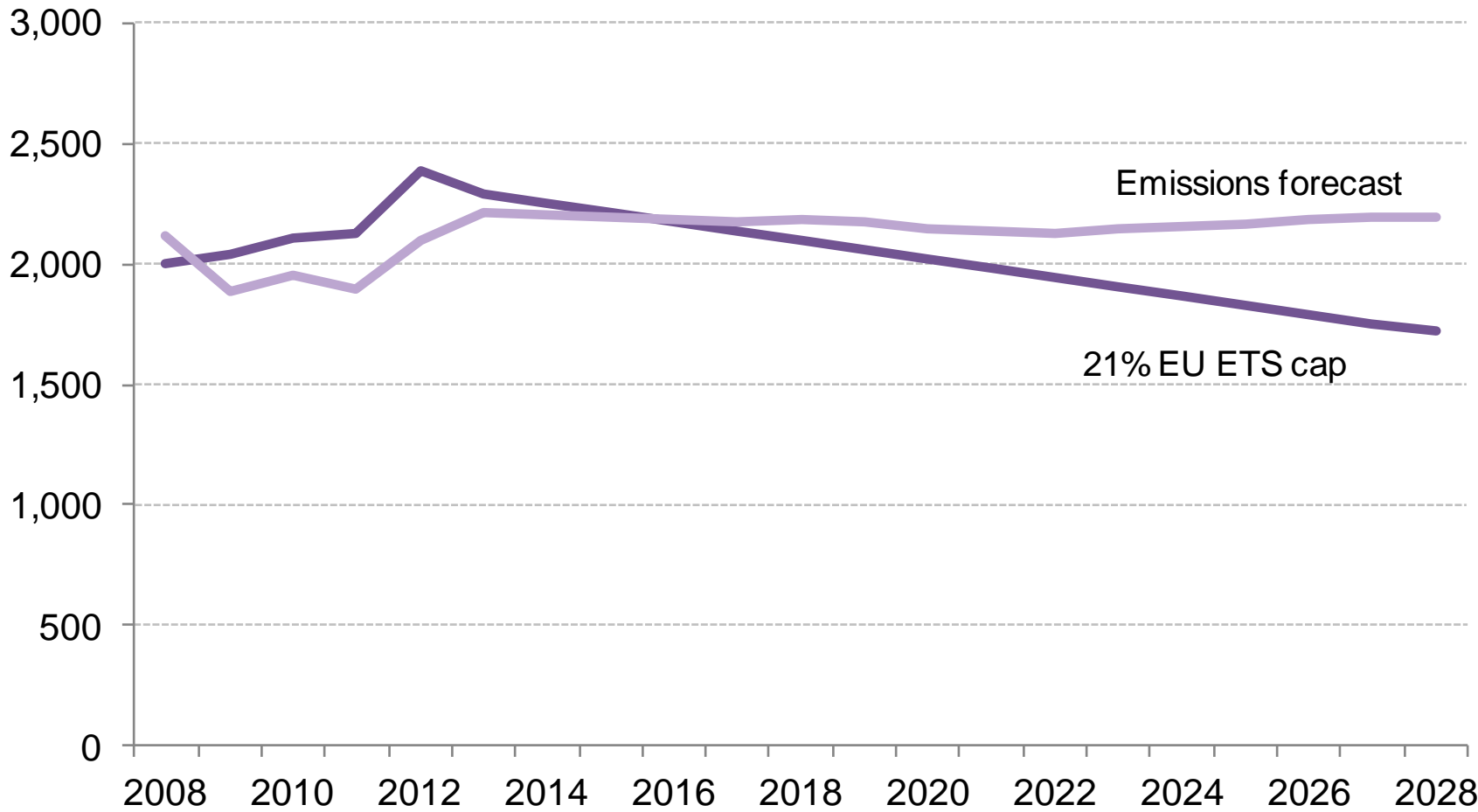
Source: Bloomberg New Energy Finance

EU ETS EMISSIONS



**Relative emissions only include installations which have reported in each year from 2005-10

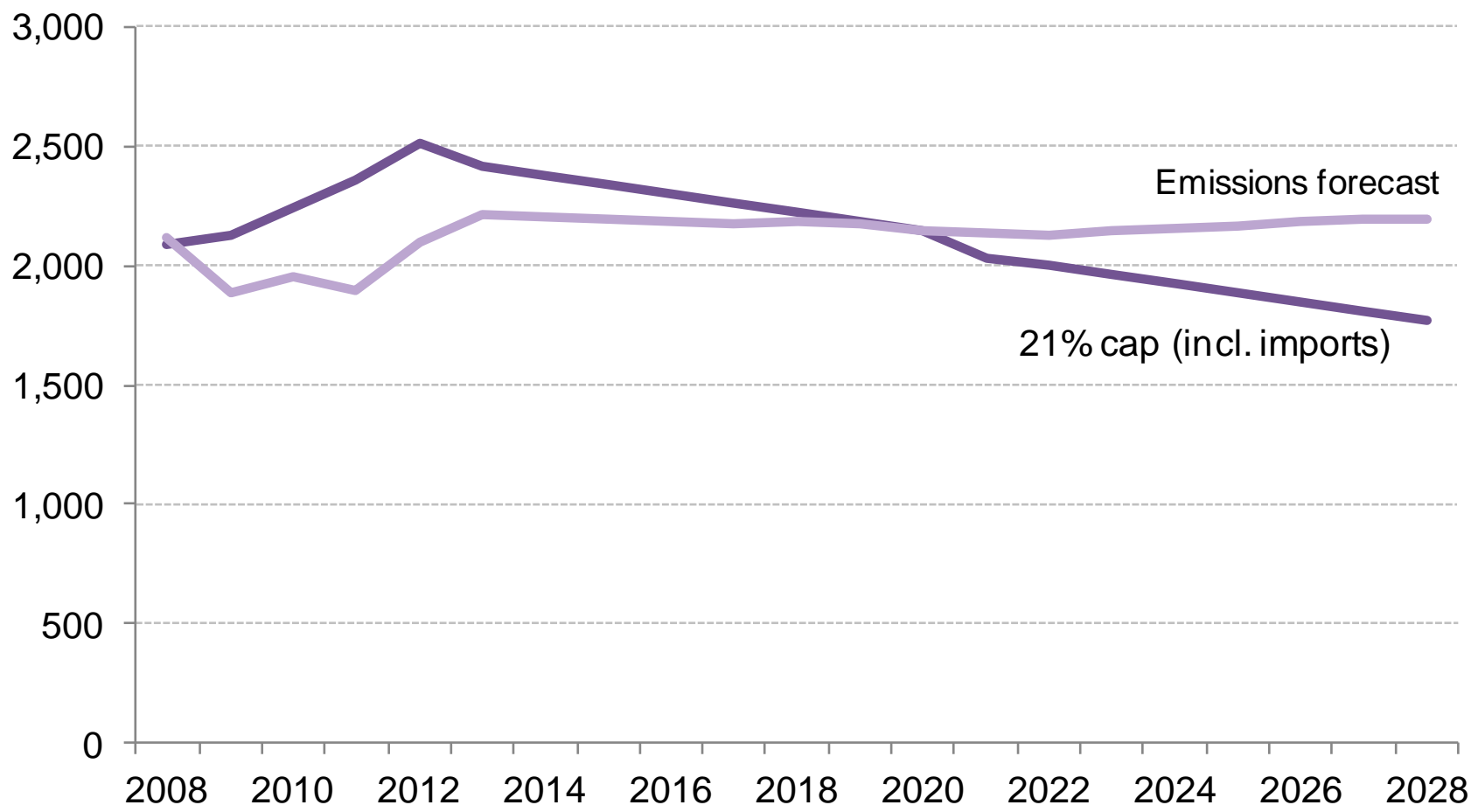
EU ETS EMISSIONS AND CAP - EXCLUDING CER IMPORTS (MTCO2)



All projections as of 26 July 2012.

Source: Bloomberg New Energy Finance

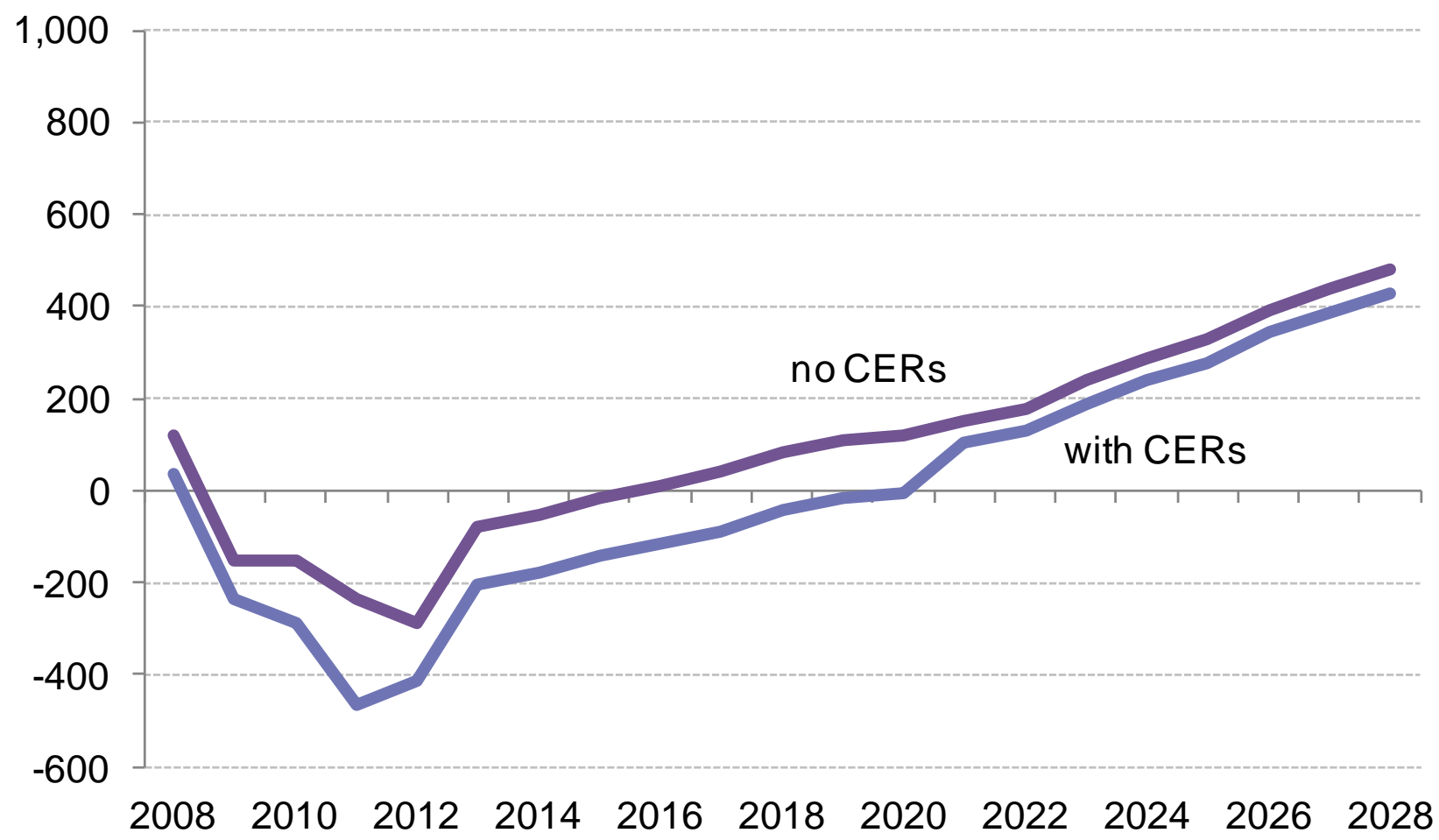
EU ETS EMISSIONS AND CAP – INCLUDING CER IMPORTS (MTCO2)



All projections as of 26 July 2012.

Source: Bloomberg New Energy Finance

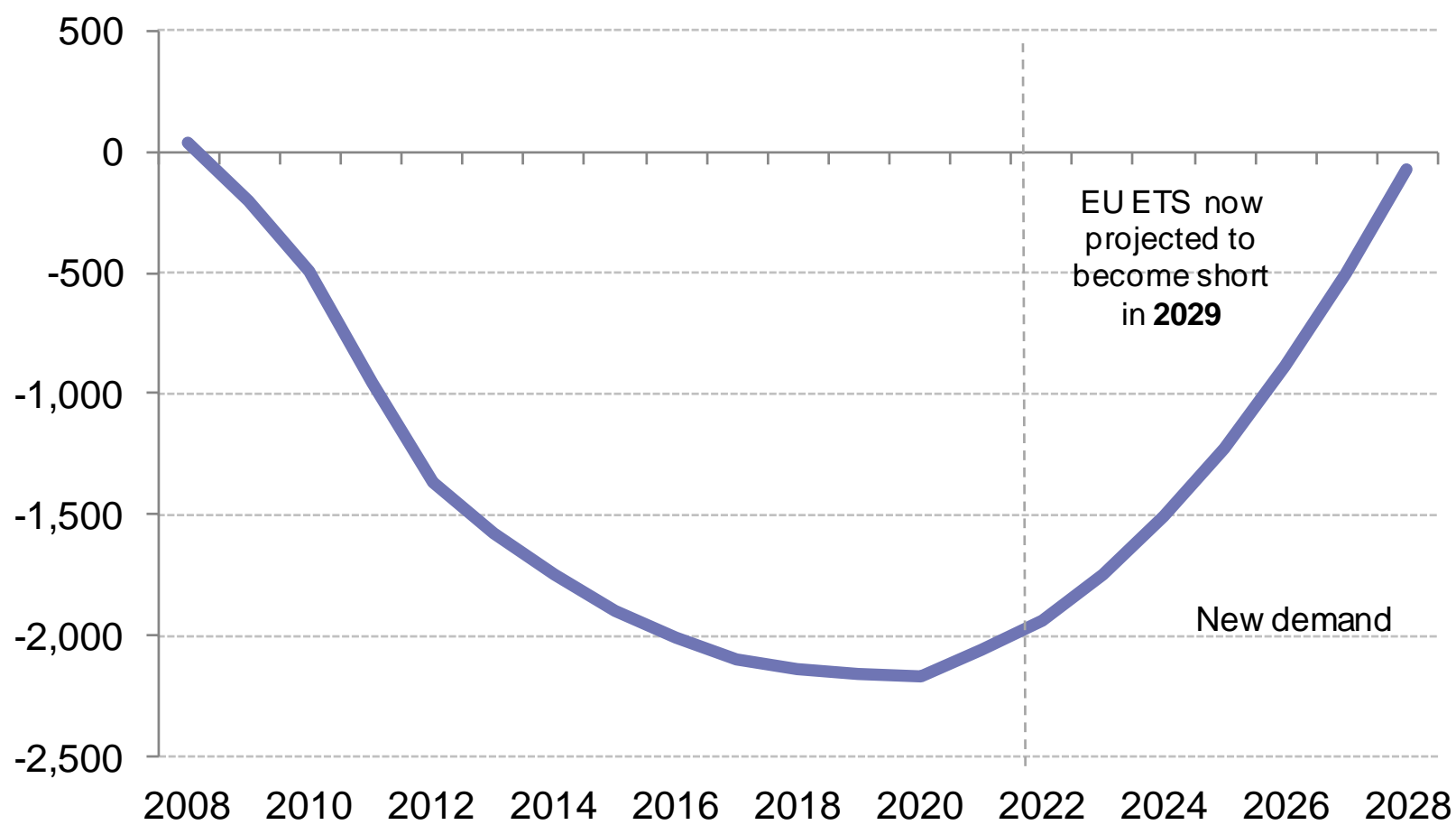
ANNUAL EU ETS DEMAND (MTCO2/YR)



All projections as of 26 July 2012.

Source Bloomberg New Energy Finance

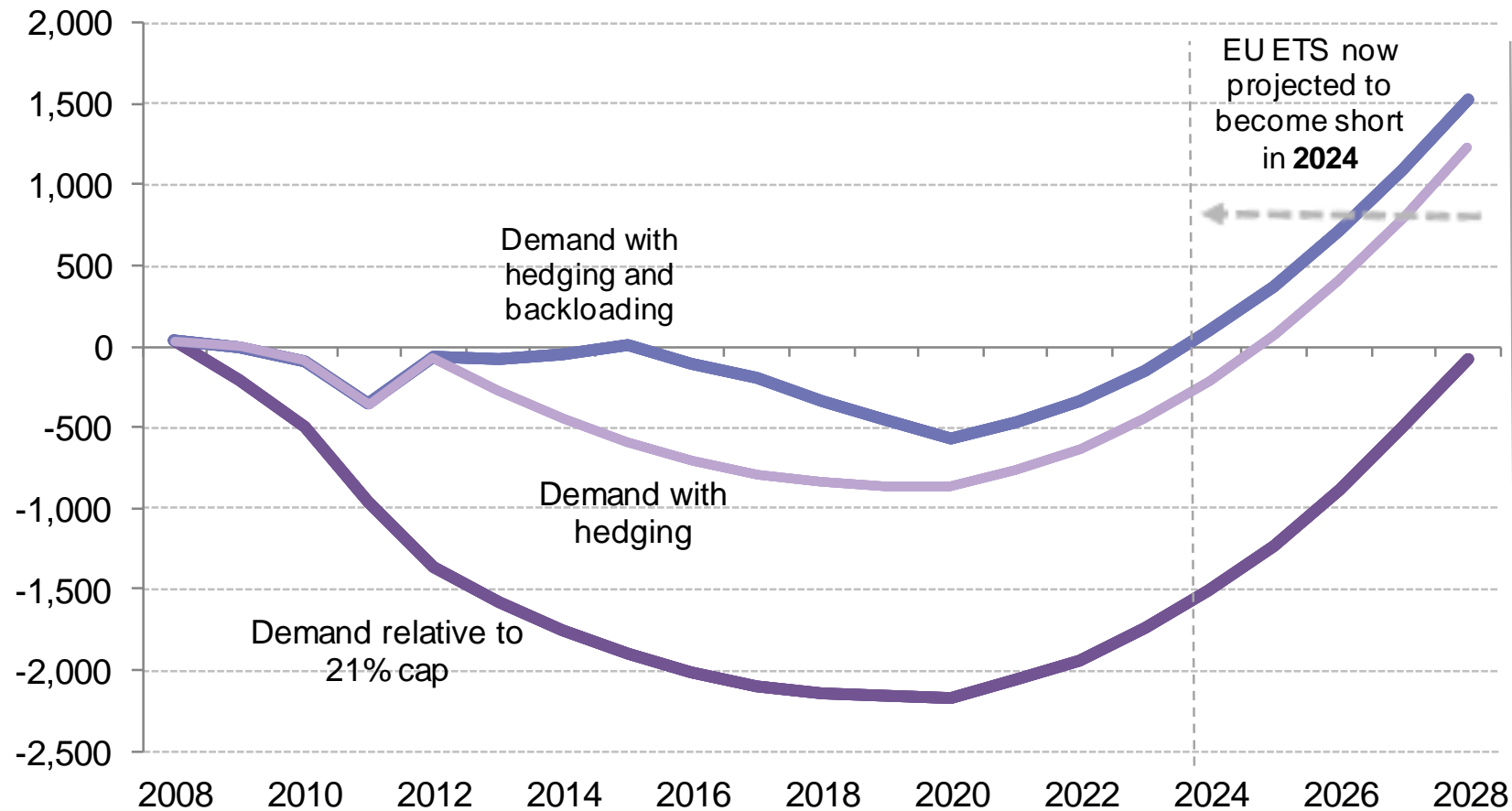
CUMULATIVE DEMAND (MTCO2/YR)



All projections as of 26 July 2012.

Source Bloomberg New Energy Finance

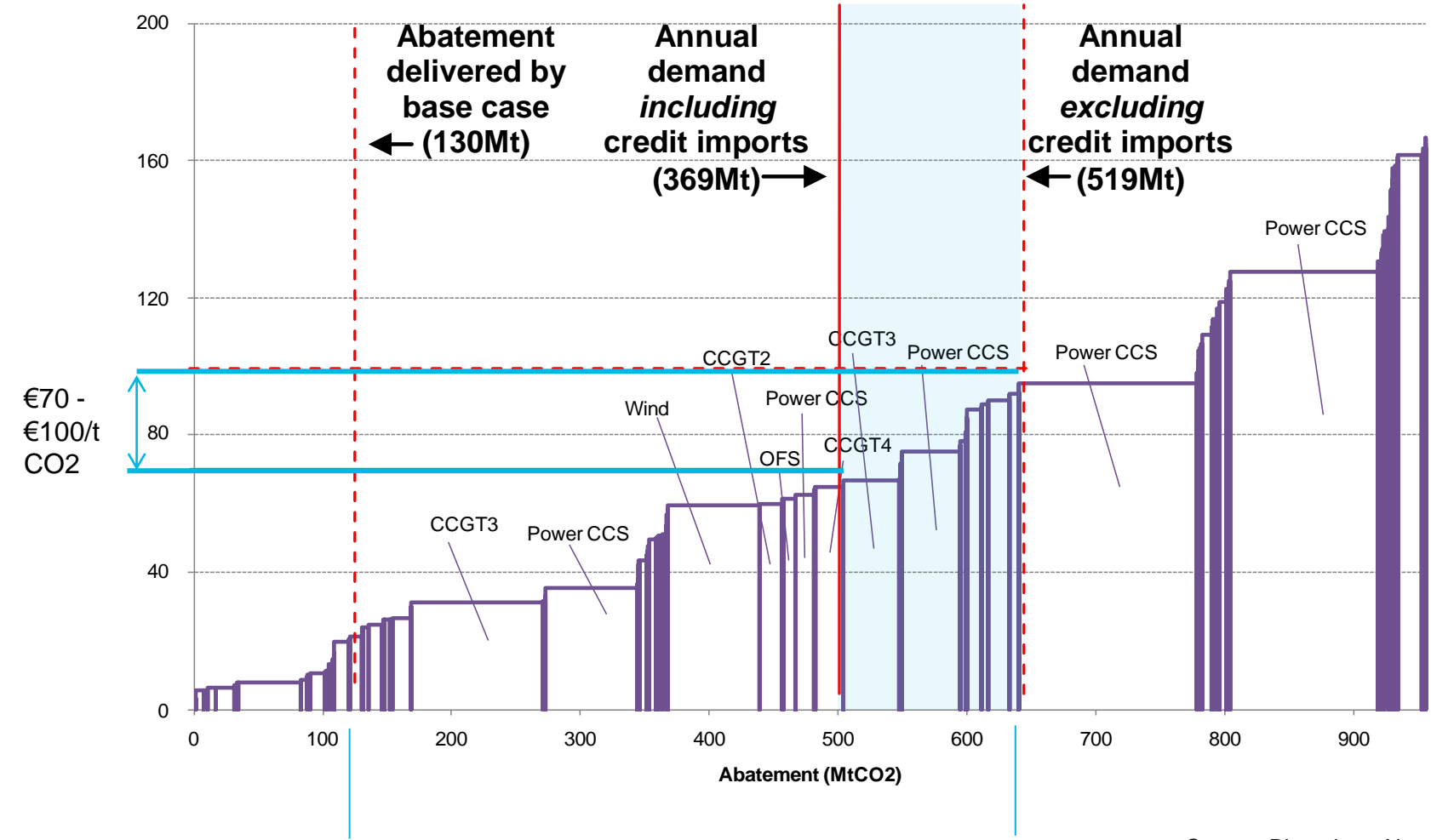
FUNDAMENTALS MODIFIED FOR HEDGING ACTIVITY AND BACKLOADING (MTCO2/YR)



All projections as of 26 July 2012.

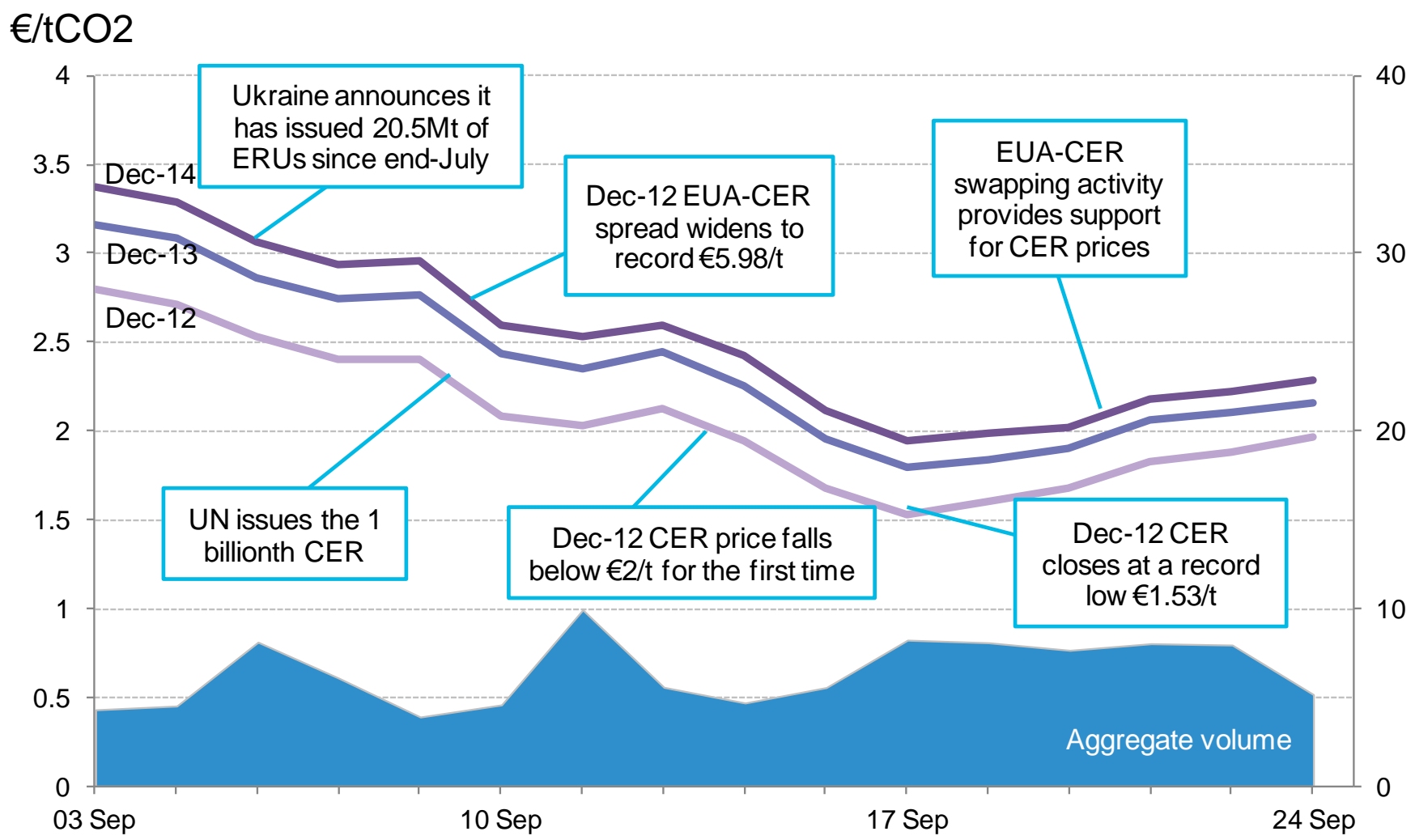
Source Bloomberg New Energy Finance

COST OF ABATEMENT IN 2024



Source: Bloomberg New Energy Finance

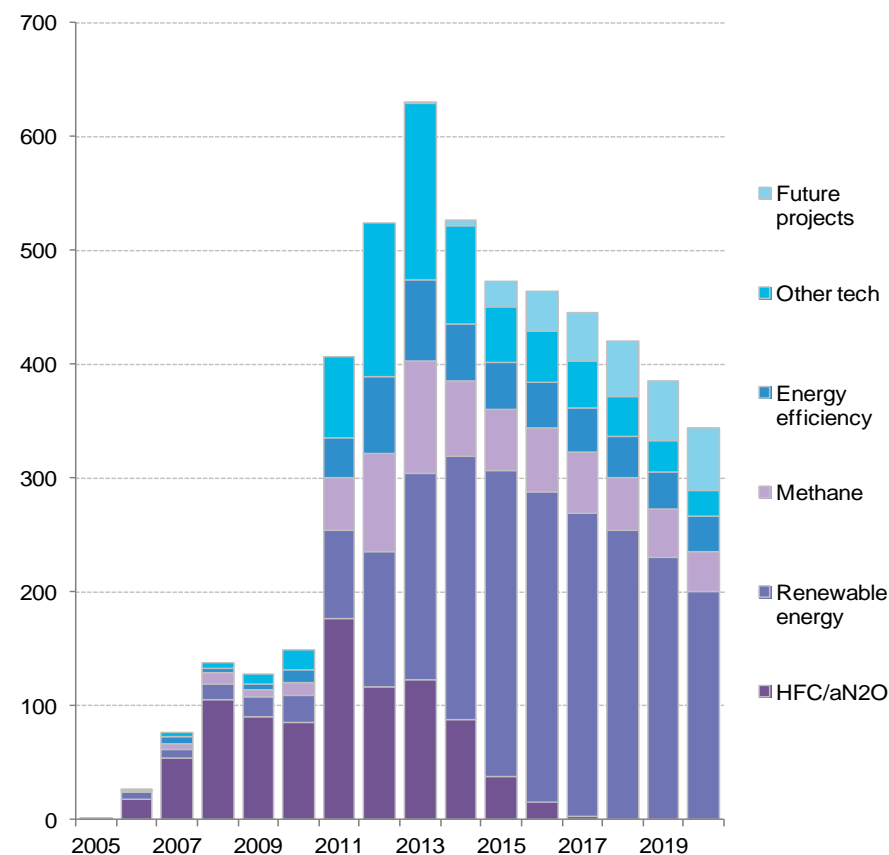
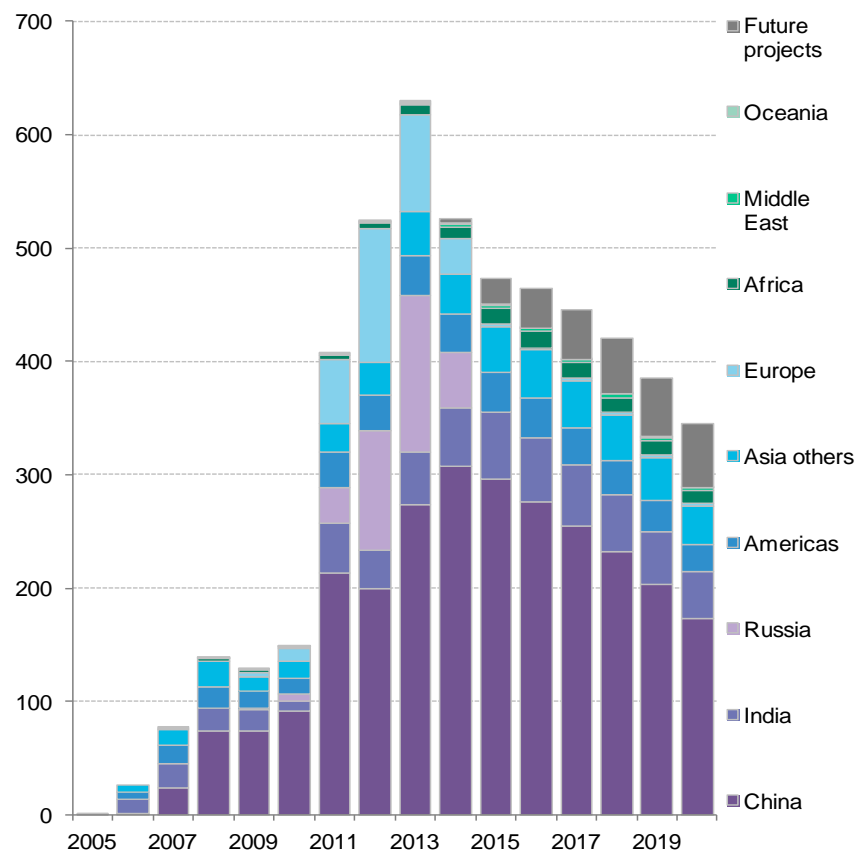
CER PRICES AND TRENDS



Source: Bloomberg New Energy Finance

GLOBAL CER SUPPLY - ACTUAL AND FORECAST

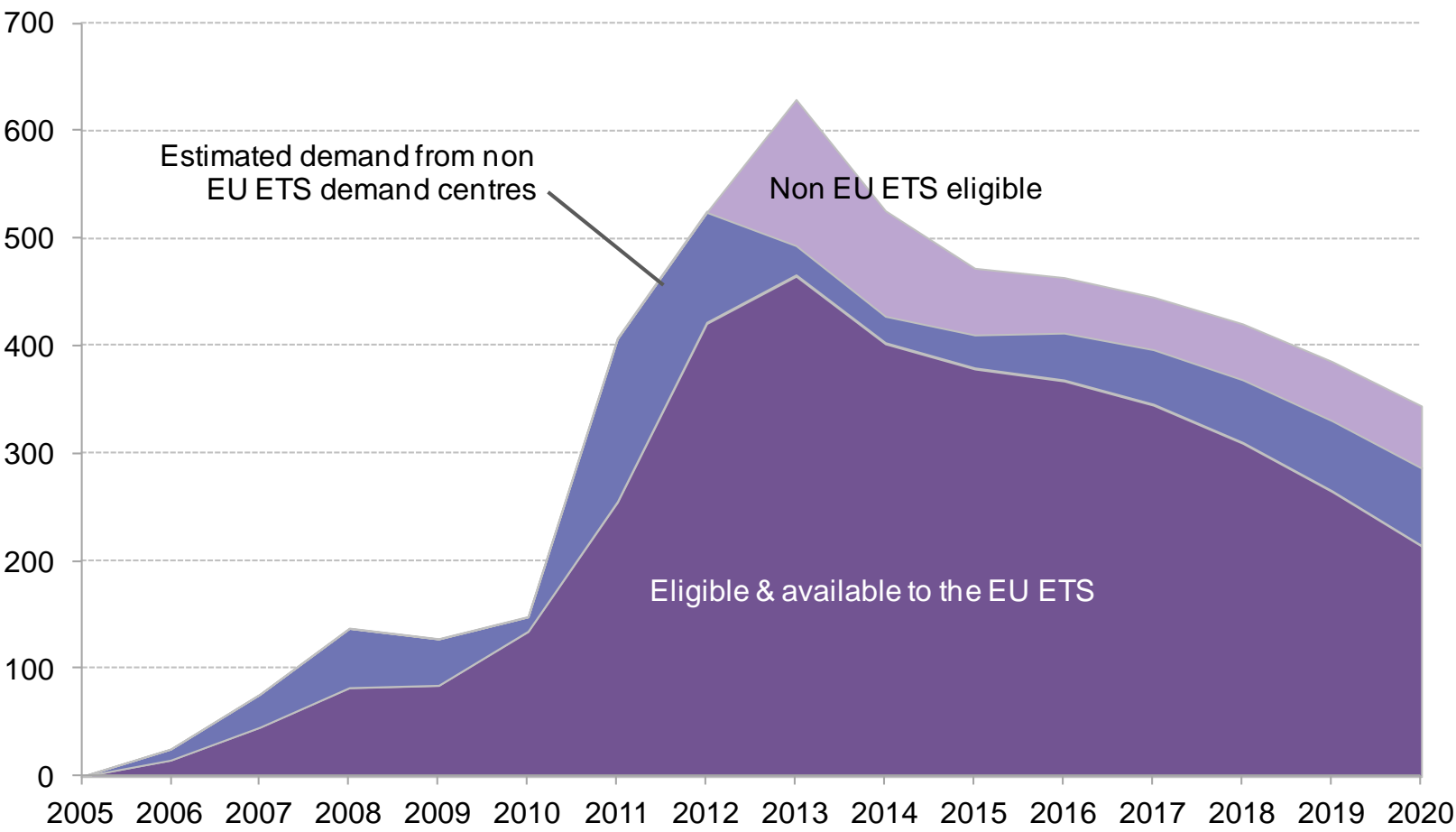
(MtCO₂/yr)



Source: Bloomberg New Energy Finance

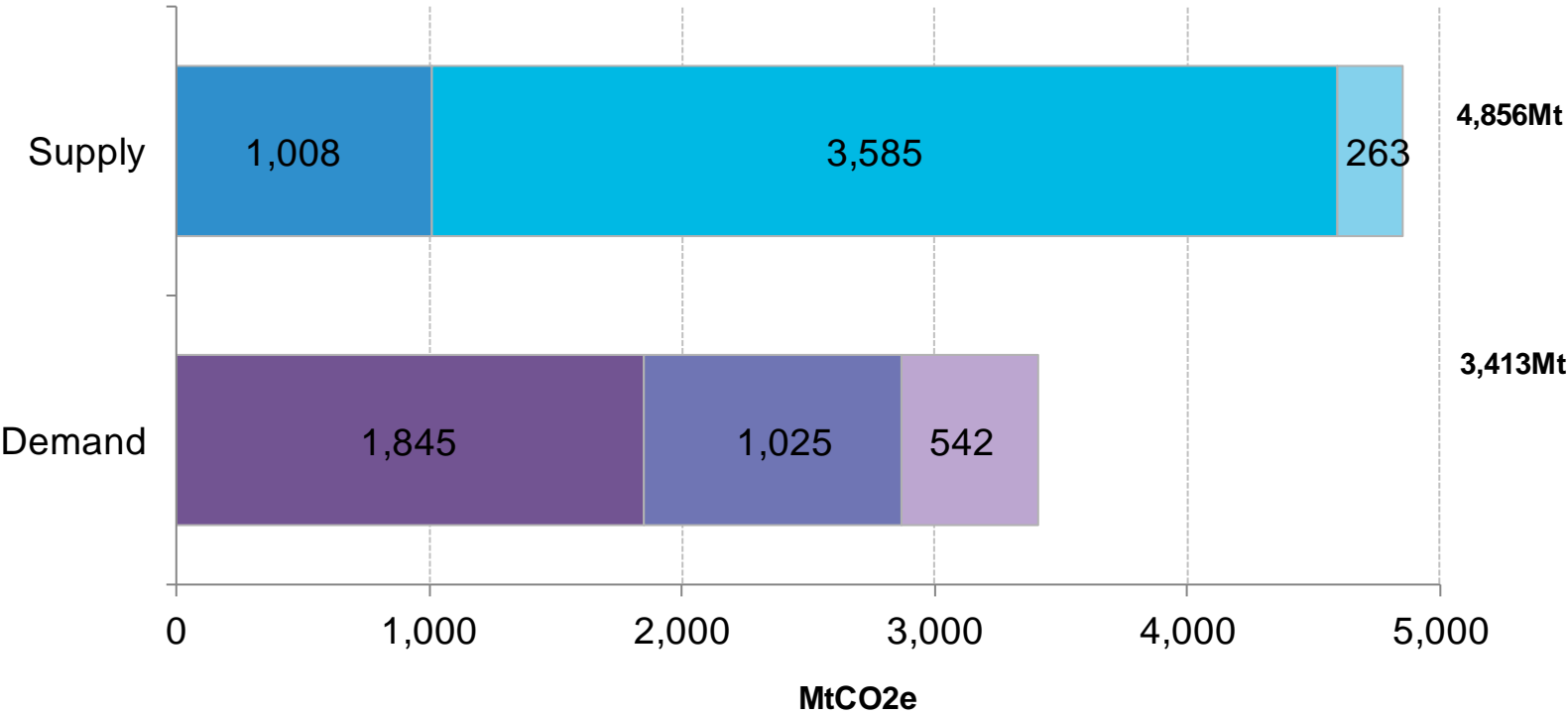
GLOBAL CER SUPPLY - ACTUAL AND FORECAST

(MtCO2/yr)



Source: Bloomberg New Energy Finance

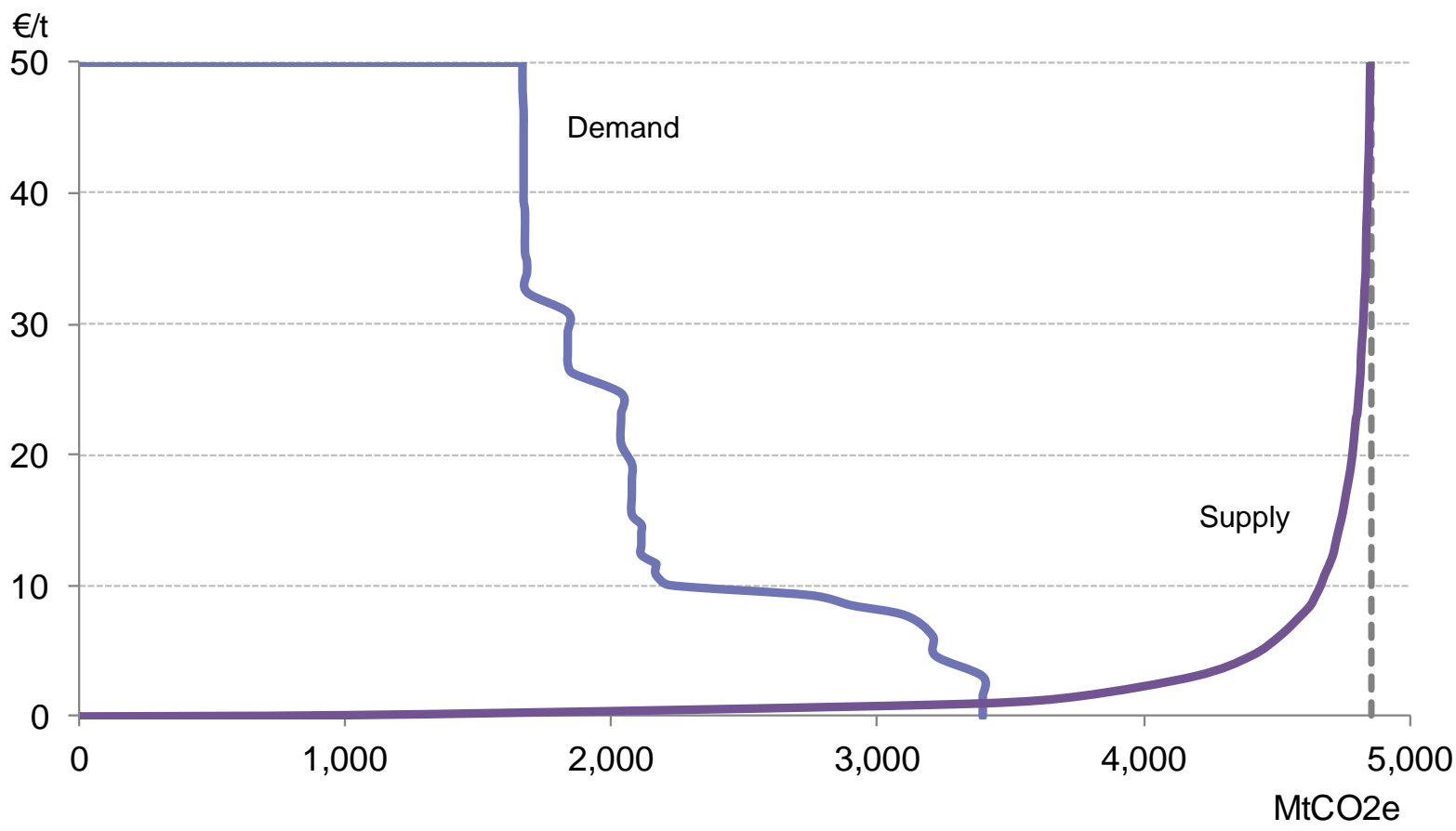
GLOBAL CER SUPPLY - ACTUAL AND FORECAST



- Issued CERs
- Existing projects incl. JI
- Future projects
- EU ETS
- EU governments
- JPN, SK, Aus, NZ

Source: Bloomberg New Energy Finance

SHAPE OF THE WORLD CER MARKET



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