



PRESS RELEASE

G8 Summit Should Seize the Opportunity to Promote the Continuation of CDM

Frankfurt, June 1, 2007. As the carbon market looks to Heiligendamm, Germany for a clear signal on climate change policy from next week's G8 summit, Dr. Sascha Lafeld, managing director at 3C Group, highlights the success of the flexible Kyoto mechanisms and emphasizes the importance of continuing with its effective policies. "Until 2012, we expect that around 15,000 CDM projects worldwide will generate approximately 2 billion CERs, driven by a carbon fund market with a volume of over five billion dollars," so Lafeld. "It is indicative of the market's broad acceptance of the mechanism and the enthusiasm in developing nations for the transfer of emission reductions technology. It is the best instrument to stimulate cooperation between industrialized and developing nations on climate protection and provide legitimate economic development aid."

Lafeld pleads that the G8 participants should be aware of exactly this benefit and the chance to speed up the pace of the post-Kyoto negotiations. "There is huge potential for efficient climate protection in this market. We must not jeopardize this opportunity by tedious discussions about the post-Kyoto period," he warns. "If the future of the market remains unsure, there will be no incentive to invest in climate protection projects in developing nations and emerging economies."

The Clean Development Mechanism (CDM), established by the Kyoto Protocol, allows investors in industrialized nations to generate credits called Certified Emission Reductions (CERs) by financing emission reduction projects in developing nations, enabling economic prosperity while reducing greenhouse gas emissions. 3C has extensive experience with CDM project development and implementation, and continuously seeks out the most promising green technologies.

The forestry and land use sector is only marginally touched by the CDM so far. However, it accounts for 18-25% of global GHG emissions according to the Stern Report. Afforestation, sustainable forest management and avoided deforestation increase carbon stocks in ecosystems and reduce emissions from burning tropical forests. Nevertheless, CER buyers and investors are still hesitant to engage in the forestry sector. Forestry CERs, although acknowledged by the Kyoto Protocol, cannot be used in compliance portfolios under the EU Emissions Trading Scheme (EU ETS).

In order to strengthen the forestry CDM sector and prove that there is private sector interest in these certificates, 3C decided to lead the way by sourcing forestry projects for the voluntary carbon offset market. "Not only do forestry projects sequester carbon, but they help to maintain and stabilize natural ecosystems



through soil, water and biodiversity protection. In addition, these projects create new income sources for people living close to the forests, thus, forest resources help to stabilize the local economy and reduce poverty in remote areas.” says Anna Lehmann, Senior Project Manager at 3C who has assisted numerous forestry projects on-site.

3C guarantees the high quality of the generated credits by exclusively buying credits that fulfill the standards of the Climate, Community & Biodiversity Alliance (CCBA) which simultaneously attests climate, biodiversity and sustainable-development benefits. The CCBA is a partnership among research institutions, corporations and environmental groups. Forestry CDM projects would be an ideal tool to foster sustainable development in developing countries that have not yet benefited from the CDM so far, such as countries in Africa. Forestation measures are exemplary of the general need for standardization within the CDM market to ensure transparency and quality. This is only possible with a solid international framework that assures long-term security for investments in climate protection.

About 3C Group - As one of the leading Carbon Asset Management firms in Europe, 3C (<http://www.3c-company.com>) originates and procures carbon credits from CDM and JI projects around the world. 3C Group draws upon an extensive international network of project developers, financial institutions, technology providers and emission reduction experts. 3C Markets AG provides consulting services regarding emission trading and hedging strategies, especially within the EU ETS. The Carbon Investment Advisory offers comprehensive expertise on carbon funds and project based Kyoto-mechanisms. Furthermore, 3C is among the world’s leaders for climate neutral services.

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