

First Climate and Inspired Evolution in new cooperative partnership

The two companies agree to cooperate in a new partnership that is to provide greater market access to clean energy projects in Southern Africa.

Zurich / Bad Vilbel – Frankfurt / Cape Town / Johannesburg, May 05, 2009 – First Climate AG, a fully integrated international carbon asset management company and Inspired Evolution, a leading cleantech and sustainable investment management company based in South Africa, today announced a new partnership to share and grow their deal flow of carbon and non-carbon projects in the Southern African Development Cooperation (SADC) region. Both companies are seeking to reinforce their current business propositions in the region by pooling resources and sharing research.

Although fossil fuel emissions per capita in Africa are among the lowest in the world, the carbon intensity per unit of GDP is actually comparable to developed countries. The continent is highly vulnerable to the effects of climate change, with many parts of Africa subject to variable climate conditions, where floods and droughts may occur in the same area within short periods of time. Nevertheless, the development of the CDM market in Southern Africa continues to lag behind international growth rates. As a whole, Africa currently accounts for only 2-3 percent of CDM projects registered worldwide. Regulatory, logistical and financing gaps facing potential CDM project developers and a widespread lack of local technical skills and knowledge – with the notable exception of South Africa – have led to only a small number of projects being pursued and registered. The new cooperation sets out to realize the CDM potential in the region.

First Climate will contribute its extensive knowledge of the CDM sector and the relevant climate-friendly technologies to the partnership, hoping to encourage higher growth rates in the African CDM sector. Its technical expertise, international best practice credentials and carbon investment experience will assist in providing much needed market access for clean energy projects in the whole of the SADC region. As part of the partnership agreement, Inspired Evolution will bring its cutting-edge global research and technology know-how to bear. In addition, its extensive investment deal expertise and knowledge of the Southern African cleantech industry will be important components of the partnership.

“We are excited to be working closely with Inspired Evolution to source and develop cleantech projects in southern Africa. Inspired Evolution has been able to develop a first mover advantage in emerging technology and environmental markets in the region and our new partnership will strengthen both our companies’ market position. Southern African developers of CDM and other cleantech projects looking for market access, financing, and technological and CDM experience will find a comprehensive and competent partner in us”, says Markus Hübener, CEO of First Climate AG. The partnership will be looking to buy carbon credits from a whole range of technologies generated before and after 2012. In relation to post 2012 carbon credits, Markus Hübener emphasized: “The Post 2012 Carbon Credit Fund, which First Climate is investment advisor to, assists project developers in limiting the risks associated with the current uncertainties over a second commitment period under the Kyoto protocol, it agrees to purchase carbon credits generated after 2012 whether a new agreement will be in place or not.”

Guy Baxter, Executive Director at Inspired Evolutions stresses the timeliness of the partnership: “Africa is still lagging behind international CDM development rates such as those of Asia or Latin America, but against the backdrop of outstanding economic growth rates in Southern Africa, energy needs are rising dramatically in the region as a whole. Given the huge potential Africa has for the use of renewable and cleantech energy, we are delighted to have found a partner in

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First Climate with whom we can source and process projects and develop the many opportunities we see.”

The projects jointly sourced and managed under the partnership will be available via First Climate’s portfolio of carbon asset management products and Inspired Evolution’s range of private equity and venture capital products.

First Climate is a leading carbon asset management company. With offices on five continents and more than ten years of experience in the market, it is one of the few intermediaries to cover the entire carbon credit value chain. First Climate develops, finances, and implements CDM, JI, and VER projects, purchases the resulting carbon credits, and customizes trading solutions for companies subject to the EU ETS. As investment advisor to several institutional investors, First Climate structures and develops carbon funds and related products. In the voluntary market, the company provides VERs verified according to the highest international standards. First Climate is one of the main sponsors of the Gold Standard Version 2.

Inspired Evolution Investment Management is a specialized boutique investment management company and authorised financial services provider established by Consensus Business Group, Pan-African Capital Holdings, Alluvia Group and Capital Evolution as its four founding partners. Inspired Evolution Investment Management has first mover advantage to lead cleantech investing in emerging markets in Southern Africa.

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