



Opportunities in the Carbon Market

The Gold Carbon Capital Fund

Copenhagen, March 10, 2008

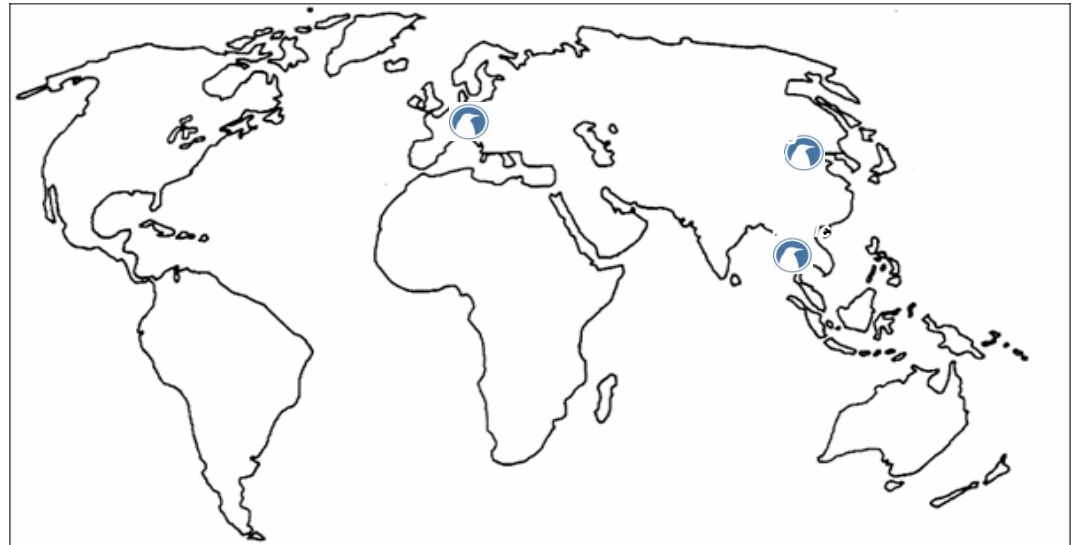
Dr. Christoph Grobbel

South Pole Carbon Asset Management Ltd

This report is solely for the use of client personnel. No part of it may be circulated, quoted, or reproduced for distribution outside the client organization without prior written approval from South Pole Carbon Asset Management Ltd. This material was used by South Pole Carbon Asset Management Ltd during an oral presentation; it is not a complete record of the discussion.

Who we are

- Privately held company (Ltd.), headquartered in Zurich, Switzerland
- Offices in Bangkok, Beijing; Johannesburg, Jakarta and Taichung (Taiwan) under construction
- Owned by 6 partners
- 36 carbon professionals
- Incorporated in July 2006
- South Pole combines carbon market experts from McKinsey & Company Inc. with the founders of myclimate Foundation and 500ppm Ltd.
- Focus on high quality emission reduction projects, where possible with Gold Standard Label from the NGO



South Pole Carbon Asset Management Ltd. – Experienced Partner Team



Dr. Christoph Sutter, Partner
CEO

- Member of the U.N. Methodology Panel
- 8 years carbon experience in McKinsey & Company and Factor Consulting
- Advised successfully registered CDM projects with a forecasted total of more than 100 million t CO₂e



Dr. Christoph Grobbel, Partner
CFO and new business development

- 12.5 years consulting with McKinsey & Co.
- Senior Expert for Emissions Trading and Electric Power & Natural Gas
- Responsible for Review of EU ETS for EU Commission



Ingo Puhl, Partner
South East Asia

- 13 years experience in climate change policy and market mechanisms
- Found of “500 PPM” in 1998
- Employed by World Bank and International Energy Agency



Patrick Bürgi, Partner
Latin America and project implementation

- 6 years experience in carbon market
- Co-founder of myclimate in 2002
- Consulted on projects in Colombia, Costa Rica, Brazil and India



Renat Heuberger, Partner
East Asia

- 8 years experience in carbon market
- Managing director and co-founder of myclimate in 2002
- Finalist of the Swiss Social Entrepreneur Awards 2005



Thomas Camerata, Partner
Africa and Middle East

- 6 years experience in carbon market
- Co-founder of myclimate in 2002
- Expert for the voluntary carbon market

South Pole Carbon Asset Management Ltd.

– Experienced Carbon Finance Professionals in Local Offices

STATUS FEB 25, 2008

Zurich, Switzerland

- Christian Dannecker, Principal, Latin America
- Carole Tornay, Project Manager, Latin America
- Ivanna Gumiel, Project Manager, Latin America
- Roman Schibli, Project Manager, Morocco
- Petter Hanson, Implementation Manager, India
- Wolfgang Brückner, Project Manager, Turkey
- Giulia Gervasoni, Project Manager
- Francois Beaurain, Implementation Manager
- Vivien Pennycate, Office Manager
- Angela Knill, Project Manager
- Patrick Weber, IT Administrator

Bangkok, Thailand

- Jidapa („Grace“) Chuengprapa; Operations Manager
- Hermine Donceel; Project Manager East Asia
- Pathathai Tonsuwonnont; Project Manager, East Asia
- Jutamanee Martchamadol; Project Manager, East Asia
- M. K. Balaji, BOOT Manager
- Patrick Horka, Project Manager
- Arunee Panyo, Accountant
- Worawan Songchat Executive Assistant
- Patana Surawatanapongs, CDM Sales Engineer

Beijing, China

- Marco Hirsbrunner, Principal, China
- Ivan Huang Zhouming, Project Manager, China
- Liangliang („Leon“) Wang; Project Manager China
- Caspar Chiquet, Business Development Manager
- René Rong, Assistant Project Manager
- Yi Lin, Assistant Project Manager

Taichung, Taiwan

- Sheng-Hsun („Jules“) Chuang, Principal, East Asia
- I-Chun Chen, Project Manager Taiwan

Jakarta, Indonesia

- Alin Pratidina, Implementation Manager, Indonesia

Johannesburg, South Africa

- Jonathan Kornik; Principal, South Africa

South Pole Carbon Asset Management Ltd. is an asset management boutique specialized in international carbon credit markets

Lines of business

- Project side services: Carbon asset management in high quality segment (SP is worldwide first company that generated issued Gold Standard CERs*)
- Buy side services: Carbon credit sourcing for larger buyers and fund mgnt.
- Carbon Advisory Services and other services

Successful track record of registered CER volume

- Advisory of successfully registered CDM** projects with a forecasted total of more than 100 million tCO₂e till 2012 (~20% of registered volume) by South Pole founders

Unparalleled CDM regulatory insights

- Two elected members of the UNFCCC*** CDM Methodology Panel
- One elected member of the UNFCCC CDM Registration and Issuance Team
- Participating in major climate change negotiations since 1997

Broad client experience basis of South Pole team

- Multinational companies (e.g. SwissRe, HSBC, Fortis, BP, Man Financial, McKinsey & Company and many of the top European and US electricity and basic materials industry companies)
- Various organizations (e.g. World Bank, ADB, World Economic Forum, FIFA, UNFCCC; UNEP, UNDP, CAF, Climate Cent Foundation)
- Governments (e.g. DG Environment of European Commission, Department of Trade & Industry in UK, Austrian Government)

* CER: Certified Emission Reductions

** CDM: Clean Development Mechanism

*** UNFCCC: United Nations Framework Convention on Climate Change

Source: South Pole Carbon Asset Management Ltd.

South Pole – Diversified CDM* Portfolio of about 100 Projects in over 20 Countries

	Electricity from Biomass	Wind Energy	Hydro	WWT / Biogas	Landfill Gas to Energy	Biofuels (upcoming)	Others
Brazil				● ●			●
Colombia	●				●		
China	● ●		● ●		●	●	
Egypt							●
Honduras			● ●				
India	● ●	●					
Indonesia	●		●	● ●		●	
Kyrgyzstan				●			●
Mexico				●			●
Thailand				●		●	
Vietnam				● ●			
South Africa	●				●		●
Swaziland				●			

● = Large Scale CDM project activities

● = Small Scale CDM project activities

Overview of South Pole Businesses

Carbon Asset Management

- SP takes care of the UNFCCC procedures of emission reduction projects against a share in the resulting emission credits; in many cases it helps arranging financing, technology, etc.

Sourcing Mandates CERs*

- SP buys primary CERs in behalf of the Austrian Government, the Swiss Climate Cent Foundation, a European Fund, etc. – either via the South Pole balance sheet or in an agent function

Selling/Sourcing Mandates for VERs**

- SP buys voluntary carbon reductions (VERs) in China, etc. and sells them to buyers in Europe and US

Consulting Mandates

- SP consults players on emission related topics
- SP helps companies with UN procedures

Fund Management

- SP & AIL Structured Finance will manage Gold Carbon Capital Fund
- SP & AIL will be investment advisors to Credit Suisse carbon fund (>=100 million €)

Other Businesses

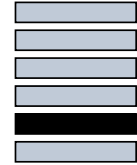
- SP builds joint venture with large utility to Build, Own, Operate and Transfer (BOOT) certain emission reduction projects
- South Pole helps US based Hedge Fund, which is setting up wood pellet business to find buyers in Europe against a broker fee
- ...

* Certified Emission Reductions under the Kyoto Protocol

** Voluntary Emission Reductions

Source: South Pole Carbon Asset Management Ltd.

Press Release



Media Release

Credit Suisse, AIL and South Pole to launch carbon investment vehicle with focus on Gold Standard infrastructure projects

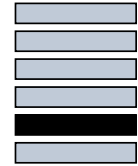
Zurich, January 7, 2008 **Credit Suisse, AIL Structured Finance and South Pole Carbon Asset Management have entered into an agreement to launch a carbon investment vehicle, which intends to provide equity and mezzanine capital to Gold Standard certified and other high quality emission reduction projects.**

Combien pensez-vous lever pour ce fonds?

Nous visons un montant de plus de 100 millions d'euros dans un premier temps, avant de monter en puissance. ■

(Ralph Kretschmer from Credit Suisse on the fund in "Bilan" on Jan 16. 2008)

Gold Carbon Capital Fund and Credit Suisse fund will focus on high quality projects



Size and distribution policy

- 100 to 150 million Euro target size
- Distribution of CERs*, not cash

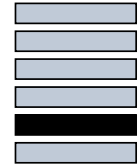
Investment focus

- Equity and mezzanine investment in CDM projects
- Leveraged through project financing where possible
- Typically emerging countries with adequate risk coverage
- High quality projects, which mostly qualify for Gold Standard

Target return for investors

- Significantly beyond 20%
- Risk reduced through
 - 50% revenues in electricity and heat
 - Option to sell Gold Standard CERs in voluntary market

Gold Carbon Capital Fund: Capitalize on the expertise of AIL Structured Finance & South Pole Carbon Asset Management



- Infrastructure **fund experience (own fund operating and invested)**
- Infrastructure **project experience**
- **Project finance** techniques (spin-off from ABB project financing department in 2002)

+

- Unique **experience with the UNFCCC** procedures for the generation and registration of the carbon credits (two elected members in UNFCCC Methodology Panel and one in Registration and Issuance Team)
- **Market leader with Gold Standard** CERs (first ever issued CERs with Gold Standard)
- **Proximity to projects** through local offices, partnerships and staff for project acquisition and identification

AIL Structured Finance Ltd.

– Experienced Investment Advisory Team



Urs Gerspacher
Managing
Partner;

Former Senior
Vice President,
ABB Structured
Finance Advisory,
Zurich



Raphael Steiner
Partner;

Former Senior
Vice President,
ABB Structured
Finance Advisory,
Zurich



Beat Imwinkelried
Partner;

Former Vice
President ABB
Power Generation



**Jean-Claude
Feusier**
Associate

Former Vice
President, Alstom
Switzerland, Baden



Brigit Lorch
Associate;

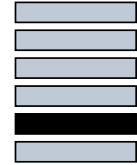
Former Vice
President, ABB
Project & Trade
Finance, Baden



Thomas Enz
Project Analyst;

Former
Economist,
Credit Suisse,
Zurich

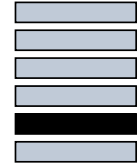
Typical Investment Projects



Some Real Cases:

- 4 industrial waste water treatment plants in Thailand: biogas production for power generation at four starch production plants; required amount \$ 2.7 million equity plus purchase price for additional CERs Carbon credit potential: 1.5 million CER's until 2012
- Biomass power projects in Thailand:
 - 4 * 9.9 MW (32000 CER per year per project plus eventual biomass decay)
 - 2 * 5 MW (16000 CER per year, plus eventual biomass decay)
- 42 MW Biomass India: 3 projects for power generation from agricultural waste such as sugar cane waste or rice husks; required amount \$10 million equity; carbon credit potential: 2 million CER's until 2012
- 60 MW Biomass India: portfolio of 20 power generation plants for agricultural waste; required amount \$ 13 million equity; carbon credit potential: 1.6 million CER's until 2012
- 50 MW hydropower plant China: required amount \$ 10 million equity; Carbon credit potential: 1.7 million CER's until 2012

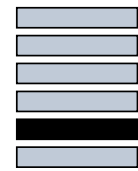
Fund invests in a special niche



Investment criteria of the fund:

- ➔ **Investment targets:** Projects embedded in project finance structures; carbon credit potential
- ➔ **Technology:** Only mature and proven technologies
- ➔ **Investment size:** From \$ 3 million to \$ 15 million
- ➔ **Diversification:** Depending on fund size, 7 to 12 projects
- ➔ **Geography:** Typically emerging countries with adequate risk coverage
- ➔ **Target Investor Return** Depending on the assumed time and sales price of the carbon credits **significantly beyond 20%**

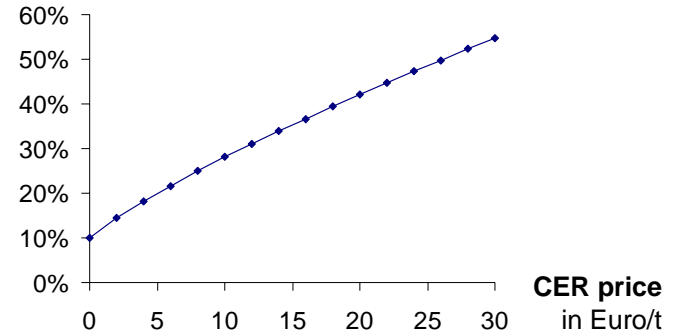
Example biogas power generation in starch industry in Thailand



Key economics

- ➔ Investment into assets producing, electricity heat and carbon credits
 - ➔ 4 biogas power plants for industries (total of 5.2 MWe)
 - ➔ Total investment USD 16.2 million, investment of Gold Carbon Capital Fund: USD 2-3 million
- ➔ Electricity and heat used by industries, in which the biogas is produced; revenues from
 - ➔ 25% electricity sales
 - ➔ 25% heat sales
 - ➔ 50% carbon sales
- ➔ ~ 400'000 carbon credits p.a. generated from 2 sources
 - ➔ Substitution of grid electricity
 - ➔ Avoidance of methane emissions from waste-water that would have been treated in open lagoons in the absence of the project
- ➔ Carbon credits can be directly transferred and used/traded in the EU Emission Trading Scheme
- ➔ **Project shows a IRR of 30% at CER prices of 11 Euro/ton**

IRR to equity provider in relation to carbon credit value



Cash flow to equity investors (1000 USD)

