



International Petroleum Exchange

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## **CCX<sup>®</sup> and IPE sign Cooperation and Licensing Agreement for EU Emissions Trading Scheme**

*Chicago Climate Exchange<sup>®</sup> Sales and Marketing subsidiary to be based in Amsterdam.*

(LONDON and CHICAGO - September 7, 2004) Chicago Climate Exchange,<sup>®</sup> Inc. (CCX<sup>®</sup>), the world's first multi-national and multi-sector marketplace for the reduction and trading of greenhouse gas emissions, and the International Petroleum Exchange (IPE), Europe's leading energy futures and options exchange, announced today the signing of a formal Cooperation and Licensing Agreement for the listing of cash and futures contracts in European Climate Exchange (ECX<sup>®</sup>) Carbon Financial Instruments (CFI<sup>®</sup>s) on the IPE. On April 12, 2004, CCX and IPE had signed a Letter of Understanding in anticipation of this milestone agreement.

Under the agreement, a series of futures contracts on ECX CFIs relating to the EU Emissions Trading Scheme will be launched by the end of the year, with cash products to follow in early 2005. Both the cash and futures products will be listed by the IPE and traded on the IPE's electronic platform, under license from CCX. It is intended that the products will be cleared by LCH.Clearnet Ltd.

In conjunction with this significant agreement, CCX announced the establishment of its wholly owned subsidiary ECX<sup>®</sup>, which will serve as a sales and marketing office headquartered in Amsterdam. The office will be led by Peter Koster, who previously served as chief executive officer of Fortis Bank UK. From 1998 to 2001, Mr. Koster also acted as non-executive Director of the London International Financial Futures Exchange (LIFFE). During his career in the financial services industry, Mr. Koster held senior positions at MeesPierson, Van der Moolen Holding and Amro Bank. Mr. Koster is a native of Holland.

Dr. Richard L. Sandor, Chairman and CEO of CCX, said, "Exchange-traded spot and futures contracts on ECX CFIs will facilitate trading for compliance with EU laws, and will bring this market the liquidity it will need to operate efficiently. This agreement positions CCX as a global leader in emissions trading, and complements IPE's leadership in the European energy markets."

IPE Chairman, Sir Bob Reid, added, "The aim of the EU Emissions Trading Scheme is to meet environmental aims through economic means. In doing so, the Scheme provides new obligations, challenges, incentives and benefits to those companies which fall within it. We are committed to delivering market-leading risk management products to meet the needs of market participants and our agreement aims to create the futures market of choice for European emissions."

## **Notes for Editors**

### **Background to the EU ETS**

Trading of the contracts is expected to be driven by the European Union Emissions Trading Scheme (EU ETS). The EU ETS, established under Directive 2003/87/EC, will start on 1 January 2005 and, in creating the world's largest ever market in emission allowances, will operate on a 'cap and trade' basis. The EU ETS will regulate the emission of carbon dioxide from installations across the 25 Member States of the EU and will include power generation, mineral oil refineries, offshore installations and other heavy industrial sectors in its first phase (2005-2007). The second phase of the ETS (2008-2012) will coincide with the first Commitment Period under the international Kyoto Protocol.

### **About Chicago Climate Exchange,<sup>o</sup> Inc.**

CCX is a self-regulatory exchange that administers the world's first multi-national and multi-sector marketplace for reducing and trading greenhouse gas emissions. CCX represents the first legally binding commitment by a cross-section of North American corporations, municipalities and other institutions to establish a rules-based market for reducing greenhouse gas emissions. CCX enables members to receive credit for reductions, and to buy and sell credits to determine the most cost-effective means of achieving emission reductions. The European Climate Exchange, a wholly owned subsidiary of CCX, is charged with sales and marketing for European products. For more information, please see [www.chicagoclimateexchange.com](http://www.chicagoclimateexchange.com).

### **About the International Petroleum Exchange**

The International Petroleum Exchange (IPE) is Europe's leading energy futures and options exchange, providing regulated open-outcry and electronic marketplaces where participants use futures and options to manage their price risk exposure in the physical energy markets. For more information, please see [www.theipe.com](http://www.theipe.com). The IPE is a wholly-owned subsidiary of IntercontinentalExchange Inc. which operates global OTC marketplaces for the trading of commodities on its Internet-based Interchange<sup>®</sup> trading platform. For more information, please see [www.theice.com](http://www.theice.com).