



EDF TRADING

**Carbon Markets: An Energy Group Commodity Trader
Experience**

An international wholesale energy market leader with strong CO₂ focus

EDF TRADING OVERVIEW



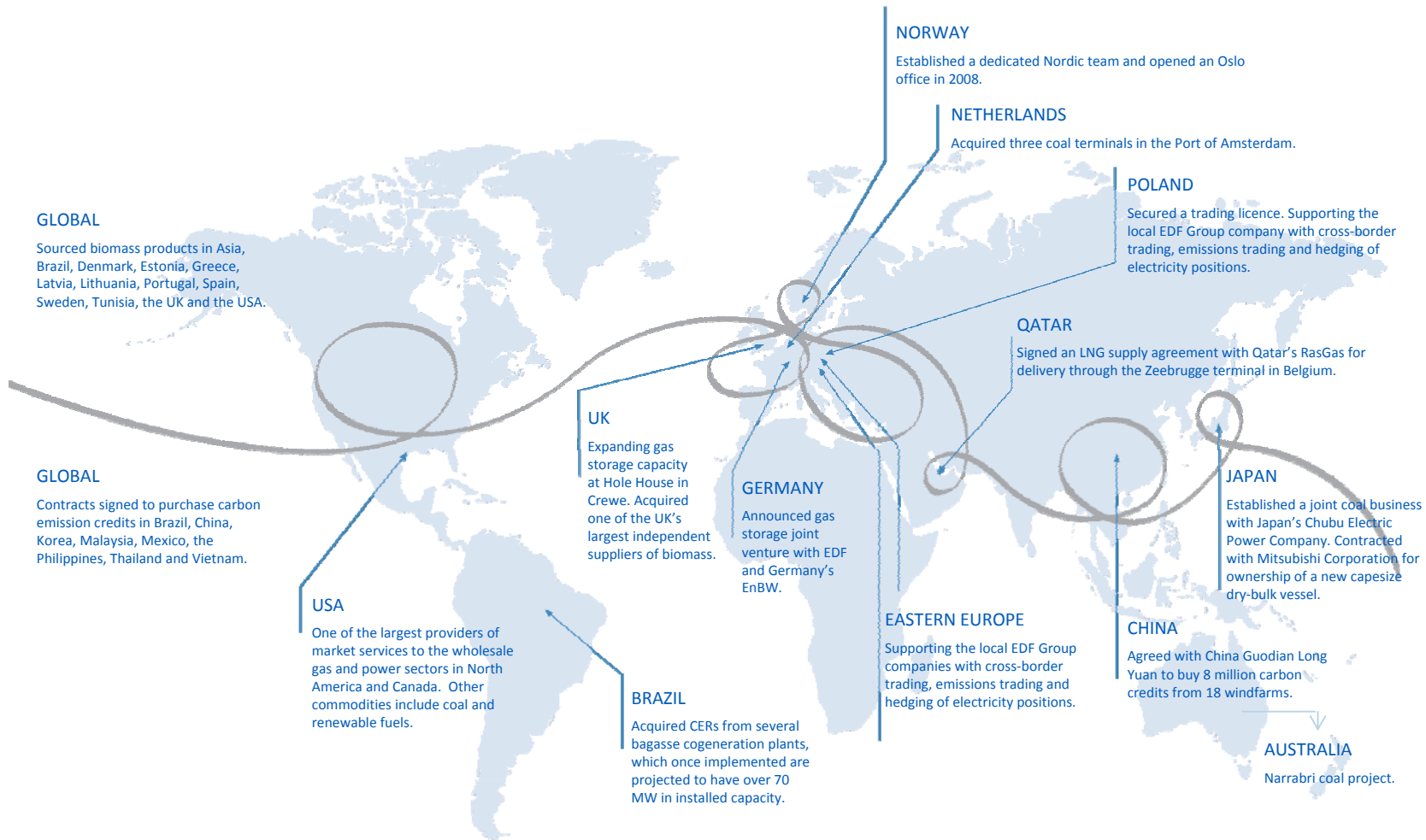
- Active in wholesale energy markets since 1999
- **Multi-commodity:** Biomass, Carbon, Coal, Electricity, Freight, Natural Gas, Oil
- **Business model:** Network of assets are the foundation of our business. The interface to the wholesale markets for EDF
- **Employees:** 800+
- **Scale:** 780,000+ transactions executed in 2009 with 600+ counterparts
- **Financials:** Shareholder equity of over €1.9 billion (2009), A3 credit rating (Moody's)
- **Parent company:** 100% owned by EDF Group, one of Europe's largest energy companies
- **Locations:** London, Crewe, Paris, Oslo, Nagoya, Singapore, Beijing, Berlin, Amsterdam, Rotterdam, Switzerland, Houston, Atlanta, Chicago, Denver, Pittsburgh, Calgary, Baltimore and Portland

KEY ASSET POSITIONS

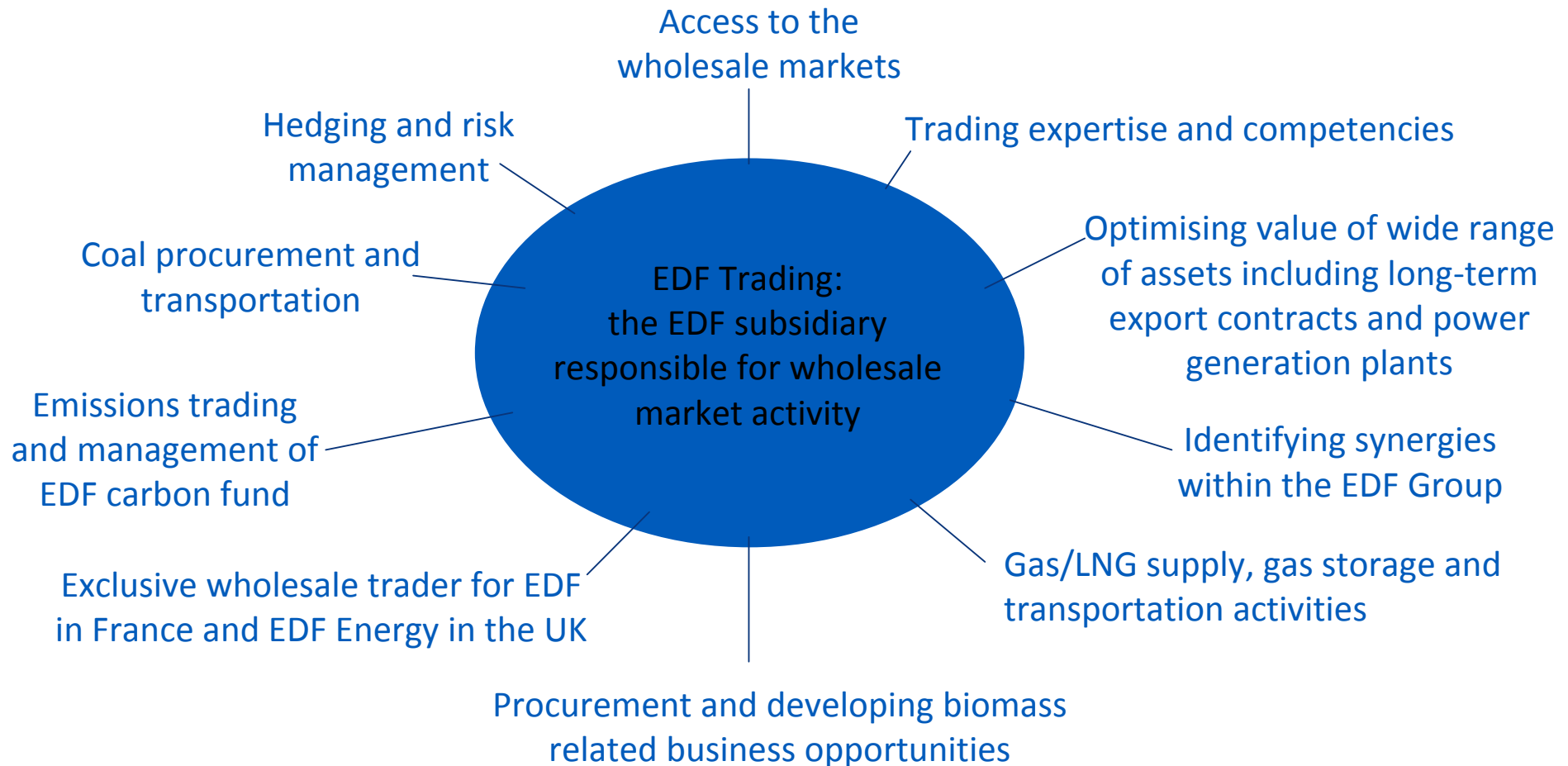


Coal and Freight	Gas	Electricity	Environmental Products
<ul style="list-style-type: none"> • Exclusive coal supply to: <ul style="list-style-type: none"> – EDF 's power plants – EDF Energy import coal requirements • Third party coal supply agreements • Joint venture with Chubu Electric to supply coal • Long -term off-take contracts with major coal producers • Control fleet of capesize and panamax dry bulk carriers • Ownership of coal terminals in Amsterdam • French and ARA inland barging and rail logistics 	<ul style="list-style-type: none"> • Responsibility for EDF 's gas portfolio in UK and France • Hole House physical gas storage facility • UK/Belgium Interconnector capacity rights • LNG supply agreements with RasGas and access to regasification capacity • Responsibility for EDF Group 's LNG position • US and Canadian pipeline and storage assets 	<ul style="list-style-type: none"> • Responsibility for purchasing wholesale power from, and selling to, the EDF system • Responsibility for EDF 's long term electricity export contracts • Transmission capacity across Europe • Responsibility for EDF and EDF Energy 's hydro and coal generation • 12,000 MW of managed generation in the US • Management of CENG off-take agreements 	<ul style="list-style-type: none"> • Responsibility for EDF Group carbon fund • Execution of all EDF and EDF Energy 's CO2 requirements • Portfolio of over 160 CDM projects in 15 countries • Responsibility for supplying carbon credits to large industrials in Europe

GLOBAL TRADING ACTIVITIES



EDF TRADING'S ROLE WITHIN THE EDF GROUP



INDUSTRY RECOGNITION



Natural Gas US
House of the Year

June 2010



9 top 3 places in
commodity rankings

February 2010



Deal of the Year
Calyon and
EDF Trading
energy partnership

January 2010



Emissions Markets
Company of the Year

June 2009



2nd and 3rd
rankings in
carbon market
league tables

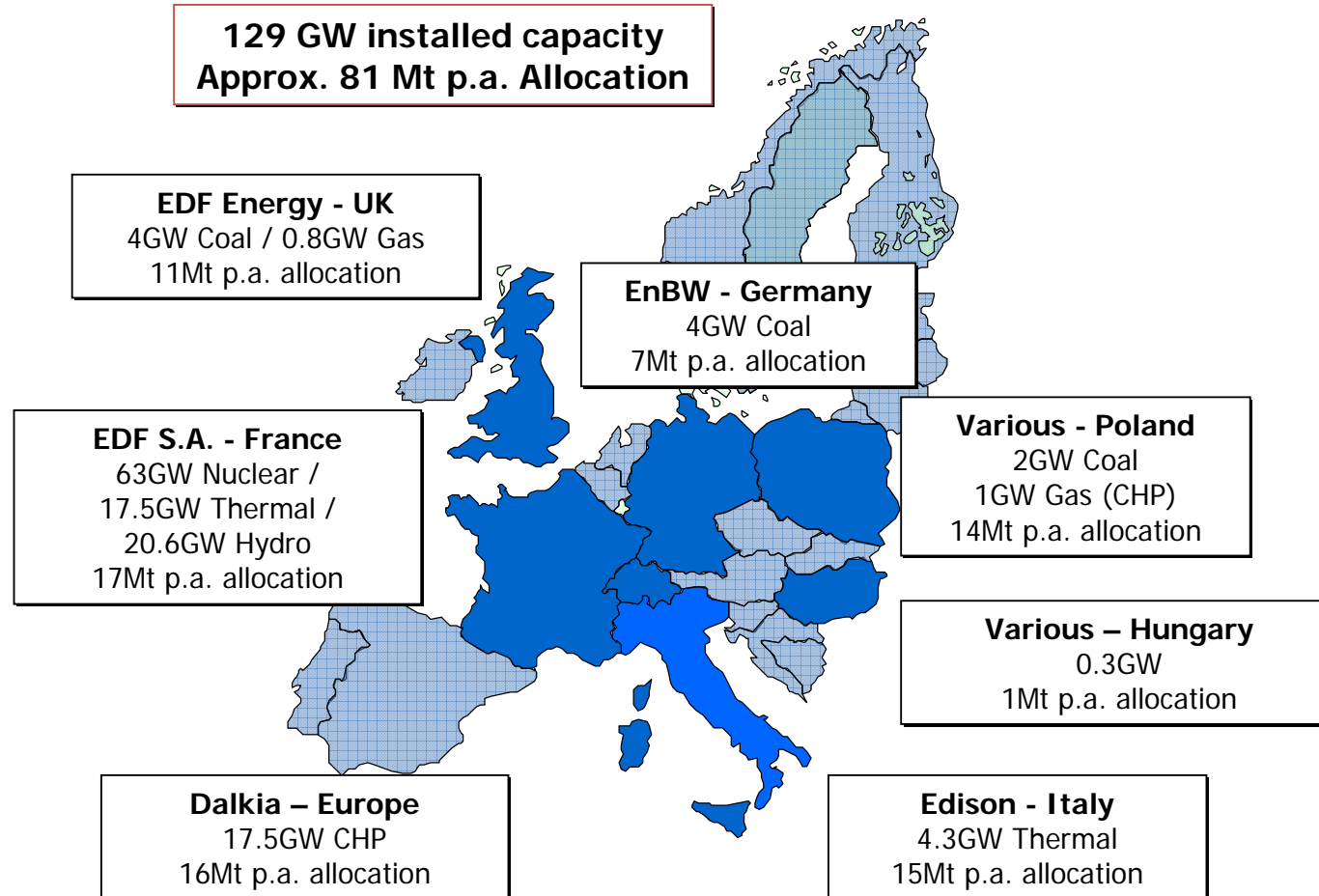
February 2008



Gold Award Winner
Excellence in
Emission Markets

November 2007

EDF Group CO₂ allocations

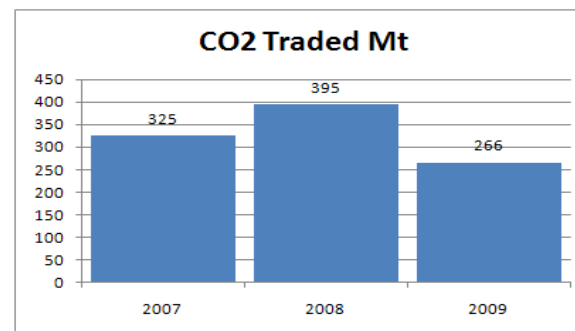


EDFT has a unique positioning in the environmental product space

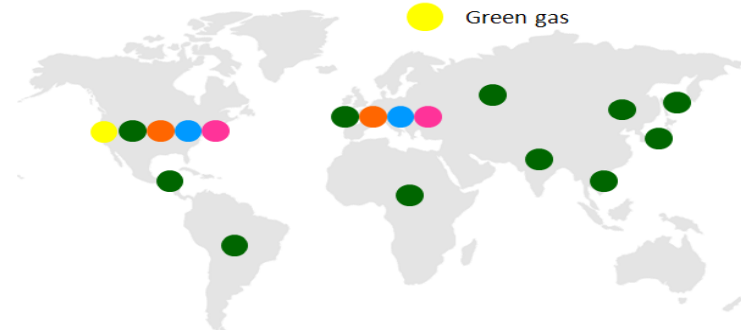


- Upstream comparison:
 - EDFT is one of the top 3 buyers of primary CERs
 - Diverse portfolio of projects from over 15 countries and extensive range of methodologies
- Trading comparison
 - Over 260Mt CO₂e traded in 2009
 - Top 5 Trading house in ETS and sCER traded volume
 - Around 7% share of annual traded volume
- Coverage:
 - European ETS EUAs and Secondary CERs
 - Global primary CER Origination
 - ERU Origination
 - UK LECs and ROCs Trading
 - GoO Trading in continental Europe
 - Biomass procurement and trading
 - US RECs trading
 - Weather Derivatives

Top CDM Buyers	No. Projects
Ecosecurities + JP Morgan	302
Barclays + Tricorona	195
EDF Trading + ESI	161
ENEL + Endesa	112
Vitol	121
Mitsubishi	103
RWE	99



- Carbon
- REC
- Biomass
- Weather Derivatives
- Green gas



The CDM successes – EDFT's involvement



- ➔ 161 projects (following the acquisition of ESI in June 2010)
- ➔ 85% registered
- ➔ 15 methodologies
- ➔ 15 countries



Landfill-based biogas collection and flaring.
Pasto, Colombia



Displacement of incandescent lamps by CFLs.
Chattisgarh, India



Fujian Zhangpu Liua Wind Power Project.
Fujian province, China

SK Power Wastewater.
Surat Thani Province, Thailand



Carbon Downstream Activity



- Both Upstream CER access and trading capabilities have given EDFT the opportunity to develop a significant Carbon Downstream activity.
- Phase II and even more Phase III gives EDF/EDFT excellent credit a key competitive advantage
- In the last 3 years, EDF Trading has transacted with industrial clients and governments on mainly these types of deals:
 - EUA/CER swaps (for one vintage or for the strip)
 - Sale of excess EUAs on the market
 - Purchase or Sale of secondary CERs/ ERUS
 - Options on EUAs, spread
 - Optimisation of swap capacity
- Industrial Clients in all the main sectors: Cement, Steel, Car industry, Utilities, Glass, Chemical, Construction
- Japanese Counterparties
- Governments: Norway, France, UK, Luxemburg...

Opportunities in Russia and Beyond



- Seeking to diversify and grow existing Carbon portfolio with JI ERUs
 - Sourcing deals in Russia, Ukraine, Central/Eastern Europe
 - Direct offtake
 - Project investment / development participation
 - Strategic partnerships with major industry partners
- Expecting higher liquidity due to increasing supply
 - Russian issuance and transfer is key!
 - More tenders = more deliveries?
 - Ukraine volumes growing steady
 - Exchanges gearing up to trade ERUs
- Competitive prices amid market uncertainty
 - Delivery dates, post-2012, international (dis)agreements etc...



EDF TRADING: Your trusted carbon partner with direct market access, excellent emissions expertise, robust financial position – a winning combination!



Thank You!

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