

The European Carbon Fund signs with Sinohydro its first Carbon deal in China

May 18th, 2006

Today – May 18th, is held in Beijing a ceremony between Sinohydro Corporation (in short “Sinohydro”) and European Carbon Fund (in short “ECF”), represented by its representative in China, TX Investment Co, to sign an Emission Reduction Purchase Agreement under the Kyoto Protocol.

The Emission Reduction will take place between 2007 and 2012, as a result of the investment of Sinohydro in a major Wind Energy project in Jilin Province, P.R. China. The project: “Changling” – Phase 1, is a 49.5MW Wind Park that will abate approx. 90,000t CO₂ per year, which represents a total reduction of 540,000 Certified Emission Reduction until the end of 2012. Sinohydro has granted an option to European Carbon Fund, should Changling Phase 2 be launched in the coming months.

This operation is the first deal signed by ECF in China and the first carbon deal ever signed by Sinohydro.

Laurent Segalen, head of ECF has declared: “We are very honoured to have been chosen as partners by a very valuable company such as Sinohydro. This deal demonstrates that ECF can close deals whatever the market conditions and that ECF has full confidence in the future of the Chinese carbon market”. Mr Fan Jixiang, president of Sinohydro, declares “We are very pleased to have found a valuable counter-party, having seen numerous potential buyers. ECF has demonstrated its understanding of the Chinese Market and its ability to close deals in a very efficient manner to our full satisfaction”.

Sinohydro Corporation (Sinohydro) was established in 1950s and it is a 100% state-owned company administrated by central government. It is one of the largest construction companies in China, specifying in hydropower and energy investment. Wind is a new era of development for Sinohydro. Sinohydro, with 4b€ total assets, ranked the 81st among Top 225 Global Contractors in 2004 (China).

IXIS Environnement & Infrastructures is a certified management firm specialized in project finance. It manages several investment funds in the environment (FIDEME €46 million / ECF €142.7 million) and infrastructures (FIDEPPP €200 million) sectors. In its capacity of manager, it is in charge of ECF's investments and divestments. It is a wholly owned subsidiary of NATIXIS.

The **European Carbon Fund** (ECF) was initiated by Caisse des Dépôts and Fortis. It comprises 14 banks, insurance companies and pension funds committed to the fight against global warming pooled into a SICAV under Luxembourg law.

Press contact

Corinne Lavaud
Tel. +33 (0)1 58 55 58 30
clavaud@ixis-cib.com

Operational contact

Philippe Germa / Karen Degouve
Tel. +33 (0)1 58 55 66 09 / +33 (0) 1 58 55 29 68
pgerma@ixis-cib.com / kdegouve@ixis-cib.com