

Natixis finalizes two carbon credit purchasing deals in China and in Egypt

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Natixis Environnement & Infrastructures, the Natixis subsidiary in charge of the financial management of the European Carbon Fund (ECF), has just finalized two major carbon credit purchasing deals.

The first contract was signed with Anshan Iron and Steel Group Corporation (AISG), China's second largest metallurgist, and concerns an energy efficiency project of more than 500 megawatt for its two industrial sites of Anshan and Yingkou located in the province of Liaoning.

The project is expected to reduce 13 million tonnes of CO₂ emissions by 2012. Those reductions will be achieved through the sequestration of gas and residual heat produced by the plant's blast furnaces. Gas and heat captured will be used as feedstock to four cogeneration power plants, therefore replacing electricity that would have otherwise been produced by coal-fired power plants. The largest unit is already in operation, including a combined cycle of 300 megawatts. Electricity thus produced will be mainly used by the AISG plants, with the surplus being sold to the local grid.

ECF, jointly with Camco International, is purchasing all carbon credits expected to be generated by the project.

The second contract was signed with New & Renewable Energy Authority (NREA), the Egyptian government agency in charge of developing renewable energy sources, in connection with an 85 megawatt wind farm located in Zafarana, a heavily winded site in the Gulf of Suez.

This wind farm, which has been operating for a few months, is expected to reduce CO₂ emissions by approximately 1 million tonnes by 2012. The project is part of the renewable energy program launched by the Egyptian Government. Proceeds from the sale of carbon credits a portion of which is payable upon signature of the contract, will contribute to the development of new projects by the Egyptian governmental agency.

Both projects are implemented under the Clean Development Mechanism of the Kyoto Protocol.

To date, ECF has entered into more than twenty carbon forward purchase transactions in emerging countries, including 2 in Africa and 12 in Asia, for a total of 55 million tonnes of CO₂ equivalent emission reductions.

Natixis Environnement & Infrastructures is a certified management firm specialized in project finance. It manages several investment funds in the environment and the infrastructures: FIDEME (Renewable energy), ECF (Carbon finance) and FIDEPPP and Cube (Infrastructures). In its capacity of manager, it is in charge of ECF's investments and divestments. It is a wholly owned subsidiary of Natixis. It aims to have €1 500 million under management for the end of 2007.

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.

Natixis, the "investments and projects bank" is the jointly held bank of Caisse d'Epargne and Banque Populaire in corporate and investment banking, asset management, private equity and private banking, financial services and receivables management. Backed by nearly 23,000 employees, with a net banking income of €7.2bn, it is a major player in its sector in Europe.

Natixis holds leading positions in its businesses in France, Europe and worldwide: number 1 asset management bank in France with €584bn under management, number 1 in France for employee savings. Natixis enjoys expertise worldwide acknowledged in credit insurance (number 3 worldwide), private equity and structured financing (real estate, commodities, asset-backed finance and leverage finance).

Press contact

Corinne Lavaud
Tel. +33 (0)1 58 55 58 30
corinne.lavaud@natixis.com

Operational contact

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