

For Immediate Release

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**Greenhouse Gas Emissions Trading Under the Kyoto Protocol Kicks Off with
Historic Allowance Transaction**

*-- Government-to-Corporation Trade in Assigned Amount Units Represents the First Allowance
Trade Under the Kyoto Protocol Compliance Regime --*

New York, NY (December 06, 2002) – The first trade of greenhouse gas emissions allowances under the compliance regime of the Kyoto Protocol was executed by the Slovak Republic and a major Japanese trading house. The trade of assigned amount units (AAUs) is the first to use the “International Emissions Trading” mechanism defined by the Kyoto Protocol. The buyer can use the allowances to comply with greenhouse gas emission reduction obligations under the Kyoto Protocol. The seller will use the proceeds to finance domestic emission reduction projects.

The Ministry of Environment of Slovakia, which is the authorized body of the Slovak government for Climate Change issues, has guaranteed to transfer AAUs out of their 2008-2012 greenhouse gas budget to the Japanese buyer. The total transaction size is 200,000 AAUs. Countries that are party to the Kyoto Protocol receive a five-year allocation of AAUs, each AAU reflecting the right to emit one metric ton of CO₂ equivalent. The AAUs will be transferred from the Slovak national registry to the buyer through Menert s.r.o., a Slovak engineering company. New York-based Evolution Markets LLC acted as exclusive broker for the transaction.

“AAUs represent the gold standard in tradable greenhouse gas emissions commodities,” said Andrew Ertel, president and CEO of Evolution Markets. “Since Assigned Amount Units are allocated directly to governments, it makes them the ultimate low risk global commodity for greenhouse gas reductions. If you were looking through a window to the true future of the greenhouse gas emissions markets, this trade is it.”

AAUs are traded under the “International Emissions Trading” program, one of the Kyoto Protocol’s flexible market-based mechanisms created to assist participating countries in meeting their commitments to reduce greenhouse gas emissions at the lowest cost. Rules defining the trading of AAUs under the “International Emissions Trading” mechanism are delineated in Article 17 of the Kyoto Protocol. The other flexible mechanisms of the Kyoto Protocol are the Clean Development Mechanism (CDM) and Joint Implementation (JI) programs.

The proceeds from the sale of AAUs will enable the Slovak Republic to finance domestic emissionreduction projects, which in return will lower the Slovak Republic’s greenhouse gas emissions.

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“The earlier we can start reducing emissions domestically, the bigger the environmental benefit,” said László Miklós, Minister of the Environment of the Slovak Republic. “By tapping the international carbon market, this innovative transaction allows us to pursue green investments and to create additional jobs. The Slovak Republic is home to many low cost greenhouse gas reduction opportunities, such as increasing energy efficiency and switching to cleaner fuels.”

In working with the Ministry, the City of Sala-based Menert already identified 21 projects that lead to substantial emission reductions. Menert is an experienced Slovakian project developer and engineering company. Menert will create reductions at its own facilities as well as act as an aggregator of reductions throughout Slovakia.

“We are working closely with the Ministry of Environment to utilize the funds generated from emissions trading for additional greenhouse gas emission reduction projects,” said Miroslav Wöllner, General Director of Menert. “The Slovak emissions trading strategy enhances the environmental integrity of the AAU sale.”

The Kyoto Protocol is likely to enter into force in the spring of 2003, once the Russian Federation ratifies the treaty. According to a recent report by Deutsche Bank, the global market for greenhouse gas emissions trading is expected to reach \$60 billion in annual volume once the Kyoto compliance market is fully active.

About Evolution Markets LLC

Evolution Markets LLC is a privately held expert brokerage and advisory service firm that specializes in environmental and energy markets. The firm's expertise covers OTC coal markets and all major emission credits including SO₂ and NO_x Emission Allowances, Greenhouse Gas (GHG) Emissions Reductions, and Emission Reduction Credits (ERCs). Evolution Markets has consummated more than \$3 billion in emissions transactions globally. More information on Evolution Markets can be found by calling +1 212-430-6475 or by visiting <http://www.evomarkets.com>.

About MENERT LLC

MENERT LLC is Slovak privately held engineering company established in 1991. Business activities of the company range from heat and power generation, heating systems renovation, automation, measurement and regulation of technology processes, mechanical engineering production through recent business activities related to Kyoto Protocol Mechanisms of Flexibility. Company has rich experience in international cooperation in both – joint production and services performance abroad. Well established on Slovak market with unique knowledge of various segments of the market from district heating sector to high-class industries MENERT LLC focuses on providing of full service to potential buyers or investors looking for business opportunities in Slovak Republic and Czech Republic. More information on MENERT LLC can be found by calling +421 905 499 995 or by visiting <http://www.menert.sk>.

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