PRESS RELEASE

RWE, Enel and E.ON top the list of European CO2 emitters

Carbon Market Data, a European company providing carbon market research services, published the rankings of companies included in the European Union's emissions trading scheme, following the recent release of verified emissions reports for the year 2007.

Based on Carbon Market Data's research, RWE, Enel and E.ON were the three biggest CO2 emitters during the first phase of the EU emissions trading scheme (EU ETS). RWE, Enel and E.ON emitted in 2007 respectively 151 MtCO2, 97 MtCO2 and 91 MtCO2. These figures are calculated at a group level, taking into account both minority and majority stakeholdings in other companies included in the EU emissions trading scheme.

In the table below are shown for the years 2006 and 2007 the distributed carbon allowances and emissions of these three companies. The 2007 emissions figures are provisional as not all verified emissions reports have been submitted.

Table 1: EU ETS Company Emissions Ranking (Mt CO2)

company	distributed allowances 2006 *	verified emissions 2006	distributed allowances 2007 *	verified emissions 2007 **
RWE	141	151	140	151
Enel	83	102	80	97
E.ON	79	87	81	91

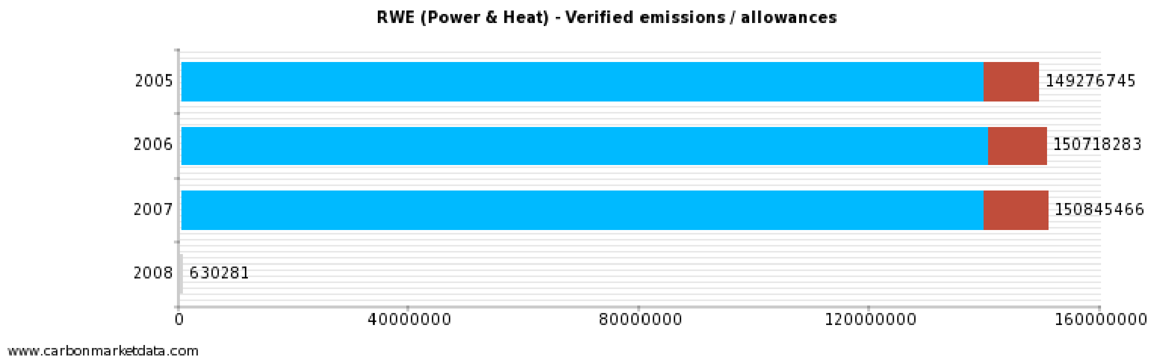
* Allowances distributed to "new entrants" are not included
* * All verified emissions reports have not been submitted yet for the year 2007

In 2007, the electricity generation capacity of the RWE Group amounted to 44.5 GW, of which 24.8 GW were fuelled with coal and lignite. These two factors - the massive power generation capacity of RWE coupled with a high dependence on coal and lignite – make of RWE by far the largest CO2 emitter in Europe.

The graph below shows for RWE the number of CO2 emissions versus the total number of free allowances received for each year under the EU emissions trading scheme.

The figure displayed represents the number of verified emissions; the red colour represents the shortage of EU allowances.

Figure 1: RWE's CO2 emissions and allowances in the EU ETS



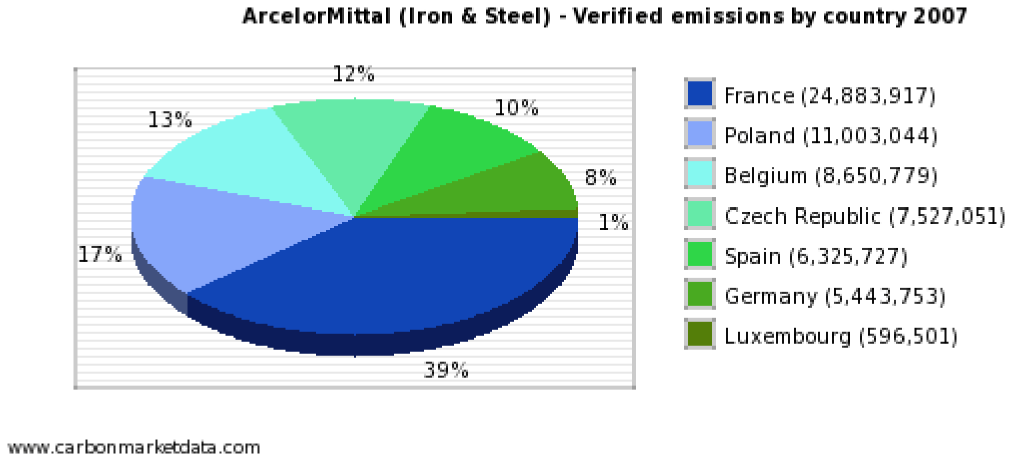
RWE had in the first phase (2005-07) of the scheme a shortage of about 10 million allowances per year, and will face a bigger shortage of allowances in the 2008-2012 period of the EU emissions trading scheme. The German energy company recently announced that it had already contractually guaranteed the acquisition of 25 million Kyoto-backed carbon credits. In the 2008-2012 period, RWE plans to acquire in total about 90 million carbon credits from Clean Development Mechanism and Joint Implementation projects.

Companies with the highest carbon allowance surplus

In 2007, the three companies with the highest surplus of EU carbon allowances (EUAs) were ArcelorMittal (18.5 million EUAs), Eesti Energia (5.3 million EUAs) and Dalkia (4 million EUAs). The figure for ArcelorMittal does not include its Romanian iron & steel installations that have not yet submitted their emissions reports.

ArcelorMittal, the world's biggest iron and steel company, had by far the largest surplus in EU carbon allowances. It could even get more significant when ArcelorMittal 's Romanian installations will be included in the calculations. To a certain extent, this huge surplus of 18.5 million allowances per year can help the company to face the surge in power prices occurred since the start of the EU cap-and-trade scheme.

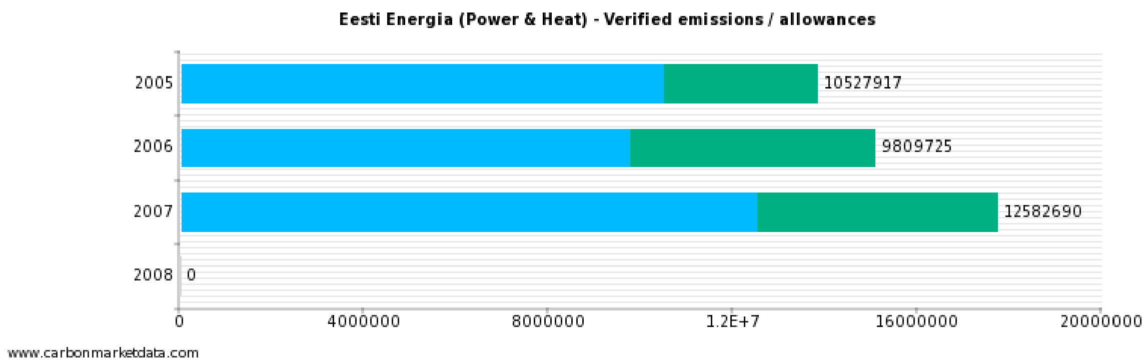
The graph below displays ArcelorMittal's CO2 emissions per country in 2007 (excluding Romania).



Below is a graph showing the CO2 emissions and allowances of Eesti Energia, the Estonian state-owned company engaged in power and heat generation and oil-shale mining.

The figure displayed represents the number of verified emissions; the green colour represents the surplus of EU allowances.

Figure 2: Eesti Energia's CO2 emissions and allowances in the EU ETS



Companies with the largest shortage of carbon allowances

Unsurprisingly, the three companies having in 2007 the highest shortage of EU carbon allowances are all involved in the electricity generation business. These three companies are Enel (17 Mt), E.ON (10Mt) and Union Fenosa (10 Mt). As Union Fenosa has not yet submitted all its emissions reports, its emissions-to-cap (differential between the quantity of CO2 emissions and the number of allowances received for free) is likely to increase. Therefore, Union Fenosa will probably be at the second position in this ranking when it will have submitted all its emissions reports.

The table 2, below, displays the 2007 EU ETS data of Enel, E.ON and Union Fenosa.

Table 2: EU ETS company ranking of largest EUA shortages (MtCO2) – Year 2007

Company	Allowances *	Emissions	Emissions-to-cap	Emissions-to-cap (%)
Enel	80	97	17	+ 22 %
E.ON	81	91	10	+12 %
Union Fenosa **	12	19	10	+84 %

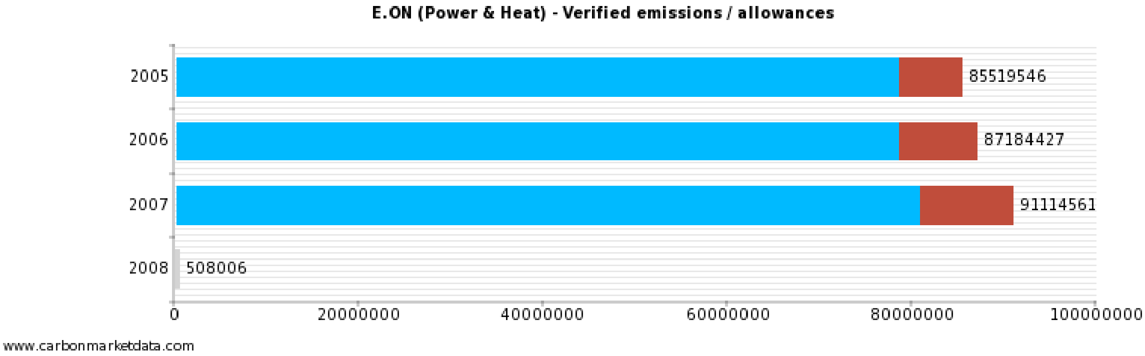
* Allowances distributed to “new entrants” are not included
** Verfied emissions reports of Union Fenosa have not all been submitted yet. Therefore, the emissions-to-cap figure for Union Fenosa only takes into account installations that have submitted their emissions reports.

Enel has by far the largest shortage of carbon allowances in the first phase of the EU emissions trading scheme, and recently announced that during the second phase of the scheme the company will face a shortfall of 131 million carbon certificates. Therefore, the Italian company will rely heavily on the use of Kyoto-backed carbon offsets to comply with its obligations under the EU ETS. According to UN data, Enel has to date invested in a pipeline of 47 Clean Development Mechanism (CDM) projects, which should generate by 2012 as much as 102 million carbon credits.

The graph below shows for E.ON the quantity of CO2 emitted versus the total number of free allowances received by the German company during the first period of the EU emissions trading scheme.

The figure displayed represents the number of verified emissions; the red colour represents the shortage of EU allowances.

Figure 3: E.ON's CO2 emissions and allowances in the EU ETS



Important note: New entrants data disclosure

Figures displayed in this press release do not include the EU allowances distributed for free to new entrants, as these data are not shown in the Community Independent Transaction Log (the EU carbon trading registry, also called CITL).

A "new entrant" is defined in the EU directive establishing the carbon trading scheme as a new installation, or as an existing installation that has experienced a change of its activity "in the nature or functioning or extension of the installation".

As stated above, data on the number of EU carbon allowances distributed to these new entrants are not made available publicly in the EU carbon registry. Only the emissions reports of these installations are published. Therefore, it is difficult to assess the real state of the carbon trading market.

For instance, in 2006, in the United Kingdom alone, 12.5 million allowances were distributed to new entrants installations (this information was published recently in a report by DEFRA, the UK Environment ministry). This quantity of allowances represents more than 0.6% of the total number of allowances allocated to European incumbent installations. If we realise that the UK allowances represent only 10% of all EU allowances, we can estimate that the amount of carbon allowances distributed to new entrants installations across the EU may have a significant impact on the equilibrium of the market.

As a matter of fact, the EU carbon trading market was in the first phase much more overallocated than it is shown in the CITL.

Consequently, we would like to appeal to all carbon market players to lobby EU authorities for making the data on the new entrants allocations publicly available in the EU registry. This would provide a better information transparency in the EU carbon trading market, and would protect the credibility and environmental integrity of the scheme.

About Carbon Market Data

Carbon Market Data is a carbon market research company offering information, consulting and technology services to a wide range of organisations in the world.

Carbon Market Data recently launched the EU ETS Companies Database, a unique and innovative carbon disclosure solution.

The EU ETS Companies Database is a proprietary analysis tool that provides the following strategic information on more than 800 companies included in the EU emissions trading scheme:

- CO_2 verified emissions
- Distributed allowances
- Emissions-to-cap figures
- List of installations
- List of parent companies
- List of subsidiaries
- Sector of activity
- Contact details

A free version of this new carbon information platform is available online at http://www.carbonmarketdata.com .

Note for journalists:

All data and graphs shown in this document are **available for free for publication** by any newspaper, magazine and information provider (electronically or on paper). Please state the source of the data - Carbon Market Data - together with the website address http://www.carbonmarketdata.com next to the graphs used and within the article.

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