

GLOBAL SUMMARY

The Market will remember 2011 as a turning point; a point in time where difficult decisions had to be made and where its resilience was tested.

Nietzsche once said, "That which does not kill us makes us stronger" and the Market, like a ship going through a storm, managed to reach safe harbour.

GLOBAL REACH

At the beginning of 2011, NYSE Euronext announced an agreement with APX, Inc. to create NYSE BlueSM, a new global company focused exclusively on environmental and sustainable energy markets. Bringing together APX's expertise in market infrastructure and BlueNext's proven exchange allows NYSE Blue to provide effective global environmental market offerings.

As part of our commitment to develop a global environmental market, CBEEEX (China Beijing Environmental Exchange) and BlueNext announced that Franshion Properties had become the first Chinese company to buy Panda Standard pilot credits, a unique and groundbreaking Standard designed specifically for the Chinese environmental market. BlueNext supports initiatives that increase market integration in order to pave the way for a Global Carbon Market.

SAFE HARBOUR INITIATIVE

2011 was marked by various fraudulent activities in the Carbon Market. We worked to respond to market concerns and have found a solution to restore the market's trust. To help restore the stability and strength of the Spot Market, BlueNext launched its "Safe Zone" trading market, under its Safe Harbour Initiative™ (SHI). This created a significant barrier to possible fraud. Our market share remained very strong despite new constraints on the registration process for allowances.

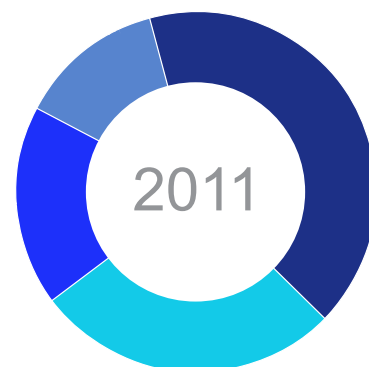
ORGANIC GROWTH

In addition, during 2011, BlueNext signed up a wide range of new members. At the end of 2011 BlueNext had 107 members from various sectors, financial and industrials.

NEW PRODUCTS

BlueNext launched a new 'Green' CER spot contract. Alongside this launch Large Hydro CER and ERU contracts can now be traded on BlueNext's OTC platform. This new Green CER was developed in response to Market demand and highlights the price difference of CERs surrenderable between Phase II versus those suitable for Phase III.

BlueNext Spot Members -
breakdown by type



Compliance Players 44%
Banks & Trading Houses 29%
Intermediaries 19%
Project Developers 14%

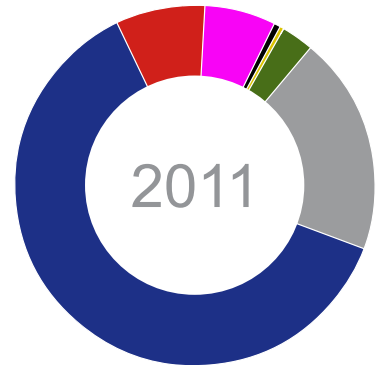
AUCTIONS

Auctions are one possible way to signal a price to the market. The Third Phase of the EU ETS will be marked by the Auctioning of EUA. There will be a central platform to auction these EUAs; although certain EU ETS Participant countries opted out and will organise their own auction (UK, Germany and Poland). BlueNext demonstrated its capacity to conduct Auctions: BlueNext auctioned CERs on behalf of the International Bank for Reconstruction and Development (IBRD). BlueNext will participate in the Central Platform tender and in any other Auction tender.

DEVELOPMENTS FOR 2012

In order to increase the price discovery process on the Spot Market, BlueNext is working to offer an OTC registration service for Unverified Units (outside of the Safe Harbour Initiative). This easy-to-use OTC service represents a technical innovation in this market and will allow BlueNext members to trade units outside the Safe Harbour Initiative. Members will arrange the terms of OTC contracts amongst themselves and BlueNext will handle the settlement of these transactions. BlueNext members will enjoy an easy implementation process.

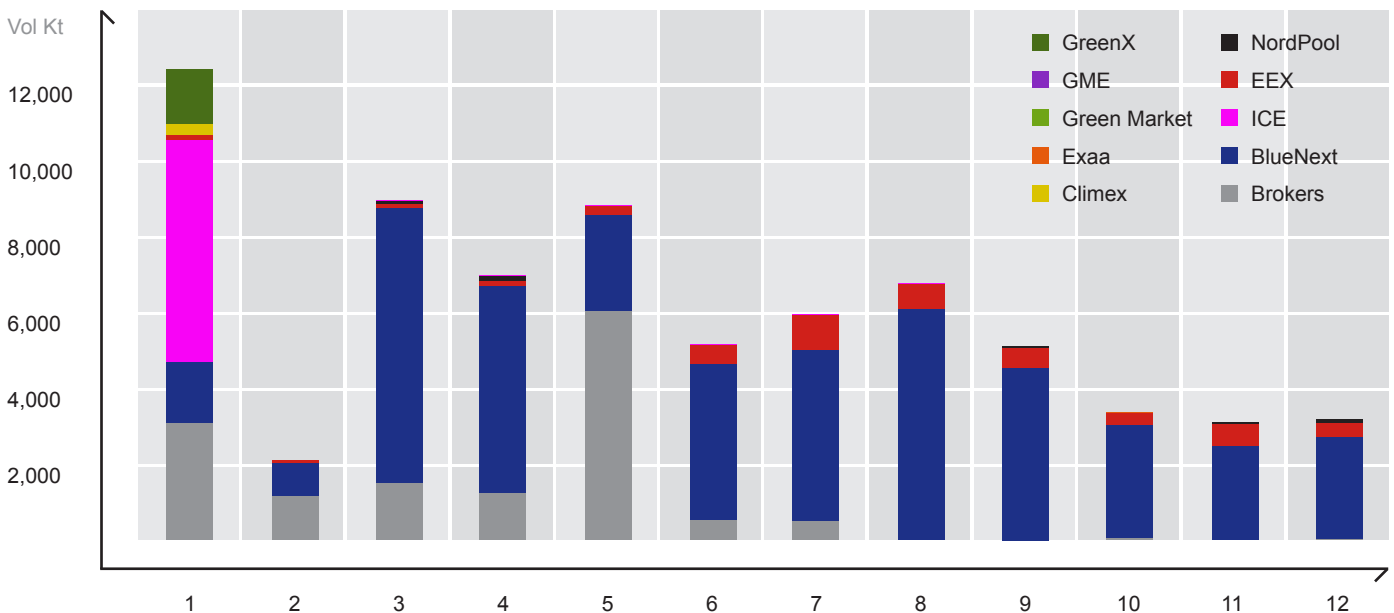
Market Share - EUA Spot 2011



- Brokers 20%
- BNX 62%**
- ICE 8%
- EEX 6%
- GreenX 2%
- Climex 0.4%
- NordPool 0.6%

Source: BlueNext and all other data gathered from respective exchange websites, financial data provider and LEBA.

EUA Spot monthly volumes in 2011



Source: BlueNext and all other data gathered from respective exchange websites, financial data provider and LEBA.

ACTIVITY SUMMARY

BlueNext had quite a busy year in a very challenging environment. The implementation of the Safe Harbour Initiative in the middle of year had an effect on BlueNext daily volumes.

The complexity and time required for the implementation of the Safe Harbour Initiative verification process, combined with a general decline of spot market activity, has slowed down the expansion of BlueNext membership.

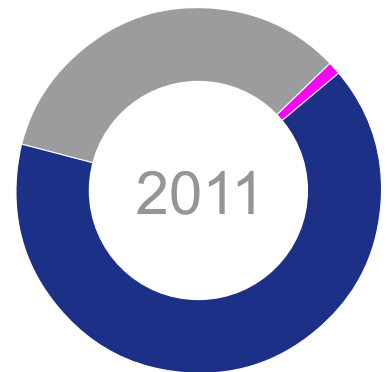
EU ETS ANALYSIS

The Global market in the EU ETS has expanded by almost 50% in 2011 as compared to 2010. These statistics show the resilience of the Market and its capacity to weather these growing pains.

Due to events that tainted the market during 2010 and 2011, the Spot Market volume actually reduced while the derivative market expanded.

This characterises the development of a more mature market where participants trade more sophisticated instruments.

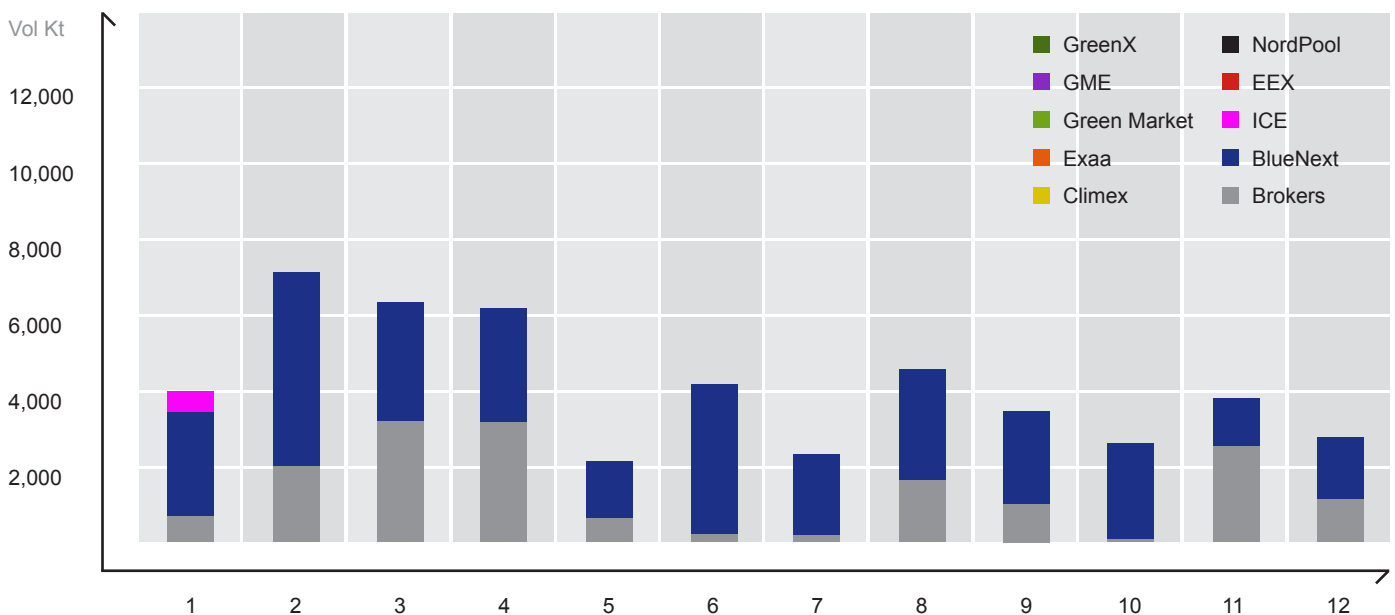
Market Share - CER Spot 2011



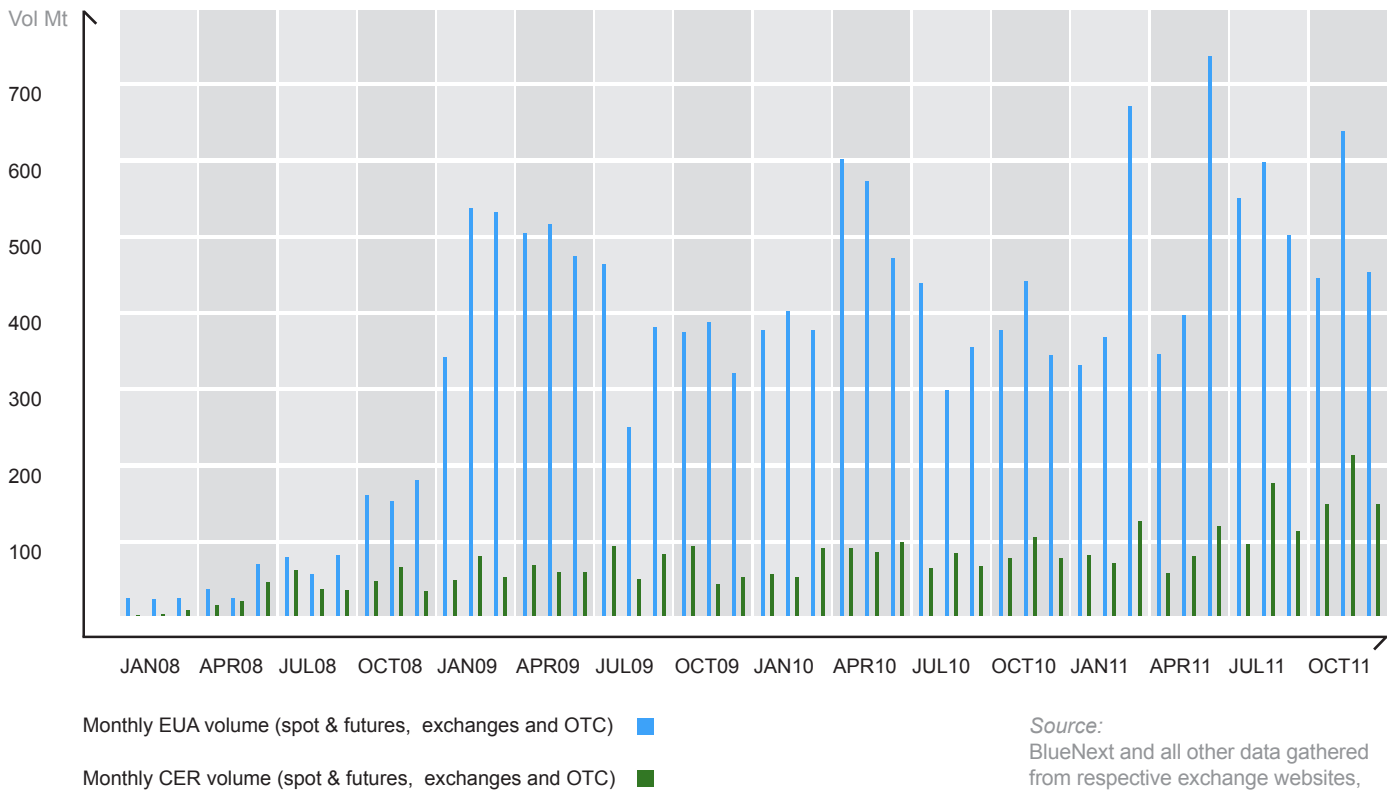
BNX 65%
Brokers 34%
ICE 1%

Source:
BlueNext and all other data gathered from respective exchange websites, financial data provider and LEBA.

CER Spot monthly volumes in 2011



Source:
BlueNext and all other data gathered from respective exchange websites, financial data provider and LEBA.

EUA & CER monthly volumes during Phase II

2012: A YEAR IN TRANSITION

In this year of the Dragon (according to the Chinese calendar), we have a unique opportunity to start afresh and help build the market with new products and services.

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