



Press Release

8th November 2007

EEA Fund Management Ltd and Trading Emissions Plc sign deal to aid UK Government in reducing carbon emissions

- Government Carbon Offsetting Fund to acquire CERs from Trading Emissions Plc, a fund managed by EEA -

EEA Fund Management Ltd, Investment Advisor to Trading Emissions PLC, announces today that it has finalised a deal to provide the UK Government Carbon Offsetting Fund (GCOF) with carbon credits in an arrangement worth around £3m, this follows an initial announcement in December 2006.

Managed by EEA, Trading Emissions Plc (TEP), the AIM-listed closed end investment company that specialises in investment in emissions instruments such as carbon credits, will source and deliver at least 255,000 and up to 305,000 Certified Emission Reduction (CER) credits over the next eighteen months to cover central government official and ministerial air travel.

The credits will be delivered from TEP's portfolio of small-scale renewable energy and energy efficient Clean Development Mechanism (CDM) projects, and will then be cancelled and removed from circulation, offsetting the emissions attributable to central government air travel. The portfolio of projects allocated by TEP to GCOF includes operational projects that have already generated and received credits and others that are at advanced stages of construction, UN registration and verification.

The portfolio will offset the total estimated emissions of participating departments and agencies for a period of three years, from April 2006 to April 2009, and is flexible enough to allow for additional and unforeseen offsetting requirements.

The competitive tender was won as a result of the mature and robust CER portfolio of sustainable small-scale projects that the EEA team has built up for TEP.

Simon Shaw, Chairman at EEA and Fund Manager to TEP, said:

"We are delighted to have finalised the deal to provide GCOF with high quality carbon credits. The Government is very aware of the environmental impact of essential travel by its officials and sees carbon offsetting as the best way of mitigating these unavoidable emission, raising public awareness of the issue and leading by example. The GCOF is supporting the positive contribution the CDM is making to tackle climate change on a world wide stage.

Camilla Taylor, Investment Adviser at EEA commented:-

"We have carefully selected highly sustainable, small-scale renewable energy and energy efficiency projects from TEP's portfolio for GCOF. The projects are located in a number of developing countries, including China, Brazil, India, Philippines

and Thailand and include wind power, energy production from biomass and electricity generated from waste biogas resulting from agricultural and waste water treatment facilities. The projects have provided jobs for more than 260 people."

EEA Fund Management and Trading Emissions plc were advised on the deal by Norton Rose LLP.

-ENDS-

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Notes to Editors:

The EEA "group" was set up in 2003 and currently has a total of £850m of assets under management. EEA is headquartered in the City of London and has offices in Washington, D.C., Beijing, Dublin and Rio de Janeiro. EEA manages:-

- Trading Emissions PLC, listed on AIM in London, specialises in investment in emissions instruments such as carbon and sulphur credits.
- Leaf Clean Energy Company was listed on AIM in 2007 raising £200m and targets clean energy projects principally in the US.
- EEA also manages three UK equity mutual funds and a life settlement fund.

Fund managers, Simon Shaw and Jonathan Fieldsend both hold AAA ratings from Citywire and the CF EPIC Insurance & General Fund holds the distinction of being awarded a Platinum rating from ARC (ChartWise).

EEA Fund Management Limited is authorised and regulated by the FSA.

www.eeafm.com

Trading Emissions PLC

TEP is a closed end investment company listed on the Alternative Investment Market (AIM) in London with £454m (\$953m) of assets under management. TEP specialises in investment in emissions instruments such as carbon credits. (Ticker: TRE and TREC). The fund, advised by EEA Fund Management Ltd, provides project developers with carbon off-take contracts, and provides debt and equity investment into CDM and JI projects. www.tradingemissionsplc.com

GCOF web information:

<http://www.defra.gov.uk/environment/climatechange/uk/carbonoffset/government.htm>