

Establishment of Tianjin Climate Exchange

On September 25 2008, Tianjin Climate Exchange (TCX) was set up in the Tianjin Binhai New Area, which is a joint venture between Chicago Climate Exchange (CCX), the municipal government of Tianjin and the asset management unit of Petro China.

The establishment of TCX is regarded as China's first comprehensive platform for trading emissions under the Clean Development Mechanism. The real exchange is expected to be started up before the end of this year, which means that enterprises can buy and sell legal emissions rights on this platform in a similar manner as they would trade securities in a stock exchange. By means of this kind of market and financial measures, the "Clean Development Mechanism" (CDM) is strengthened, which will definitely promote environmental protection and emission reduction in China.

TCX concentrates on the trading and services of primary pollutants' emissions such as sulphur dioxide and carbon dioxide as its business scope. Meanwhile, TCX shall adopt a membership system. The membership is classified into emitters, credits providers and bidders.