



Montréal Climate Exchange

## **MONTREAL CLIMATE EXCHANGE ANNOUNCES MAY 30 AS DATE FOR LAUNCH OF TRADING IN MCEX CARBON FUTURES**

**Montréal (Quebec), March 14, 2008** – The Montréal Climate Exchange (MCEX), a joint venture of the Montréal Exchange (MX) (TSX: MXX) and the Chicago Climate Exchange® (CCX), announced today that it plans to launch trading of futures contracts on Canada carbon dioxide equivalent (CO<sub>2</sub>e) units on May 30, 2008, subject to regulatory approval.

"MCEX is moving quickly to launch the first exchange-traded carbon futures contract in Canada," said Luc Bertrand, President and CEO of MX and chair of MCEX. "We are enthusiastic about creating this new derivatives market and about the launch of trading."

"The demand for environmental derivatives continues to grow worldwide and the time is right to build a critical mass of trading activity in Canada," said Dr. Richard Sandor, Chairman and Founder of the Chicago Climate Exchange. "MCEX products will meet demand from industrial participants to manage their emissions risks at the lowest cost while also creating continuous incentives for technological innovation that reduce carbon emissions."

The MCEX partners initially announced the plan in July 2007 based on an assessment of the federal government's air emissions policy released in April 2007 and following detailed consultations with potential market participants, including large industrial emitters. The MCEX set the launch date after the federal government announced further details of its greenhouse gas emissions regulations, including targets for intensity-based Canadian emissions reductions and offsets program terms.

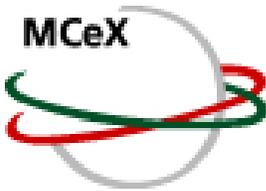
"The Government of Canada has provided greater regulatory certainty regarding intensity-based emissions reduction targets and the definition of a single compliance standard for tradable credits," added Mr. Bertrand. "This will enable emitters to more accurately forecast their individual intensity-based reduction targets and exposures."

"Clear regulations are always welcome news for buyers, sellers and market operators. Our aim is to offer a market based solution that will optimize the policy guidelines set by the federal Government and support the reduction of carbon emissions in a cost effective manner."

### **Regulatory Filing on Market Rules**

MX filed an application with its lead regulator, the Autorité des marchés financiers (AMF), requesting approval of market rules designed to govern the trading of MCEX environmental products on its electronic trading platform, SOLA®. A decision on the AMF application is expected in the near future.





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The MX application filed for approval by the AMF describes two key benefits that will be offered by MCEX contracts:

- A price discovery mechanism that generates the price signals needed by large industrial emitters to measure the “cost of a tonne of carbon”.
- A method of managing risk associated with price fluctuations using carbon futures contracts.

In the application, MX commits to operate a transparent, secure and liquid market that earns the confidence of traders, investors and market participants. The rules provide that Canada carbon dioxide equivalent (CO<sub>2</sub>e) units futures contracts will be traded on the MX electronic trading platform, SOLA<sup>®</sup>. MX will settle and guarantee contracts through its clearing house, the Canadian Derivatives Clearing Corporation, which is AA rated by Standard and Poor's. This arrangement will reduce trading, settlement and counterparty risk for market participants.

The MX application cites World Bank estimates that the world market for carbon amounts to about \$100 billion. Trading activity on public carbon markets has grown rapidly in recent years to reach US\$30 billion in 2006.

Furthermore, recent estimated figures from market participants show that the global carbon market activity was worth over US\$60 billion in 2007.

### **About the Montréal Climate Exchange**

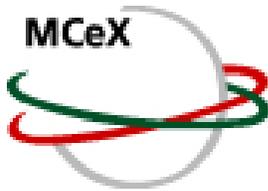
The Montréal Climate Exchange (MCEX), a joint venture of Montréal Exchange Inc. and the Chicago Climate Exchange<sup>®</sup>, is aiming to establish the leading market for publicly traded environmental products in Canada.

### **About Montréal Exchange Inc.**

The Montréal Exchange (MX) is the Canadian derivatives exchange. The MX offers trading in Canadian interest rate, index and equity derivatives. Clearing, settlement and risk management services are provided by an AA rated clearing house, the Canadian Derivatives Clearing Corporation, fully owned by the MX. Our integrated trading and clearing services are supported by a proprietary suite of exchange technologies, known as SOLA<sup>®</sup>. The MX also has interests in: the Boston Options Exchange (BOX), a U.S. automated equity options market, for which MX is the technical operator; the Canadian Resources Exchange (CAREX), a new corporation created with NYMEX that is dedicated to developing the Canadian energy market; and the Montréal Climate Exchange (MCEX), a joint venture with the Chicago Climate Exchange<sup>®</sup>, aiming to establish the leading market for publicly traded environmental products in Canada. For more information about the Montréal Exchange, please visit [www.m-x.ca](http://www.m-x.ca).

### **About Chicago Climate Exchange, Inc.**

CCX is a financial institution whose objectives are to apply financial innovation and incentives to advance social, environmental and economic goals. CCX, which began trading in 2003, is the world's first and North America's only legally binding rules-based greenhouse gas emissions allowance trading system, as well as the world's only global system for emissions trading based on all six greenhouse gases. CCX members are leaders in greenhouse gas management and mitigation, including offset providers and offset aggregators, and located throughout the United States. CCX members derive from all sectors of the global economy, including the public sector,



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and emissions reductions being achieved through CCX by major utilities, corporations, cities, states and counties, are the only reductions in North America being achieved through a legally binding compliance regime, subject to independent third party verification provided by FINRA and price transparency. The founder, Chairman and CEO of CCX is economist and financial innovator Dr. Richard L. Sandor, who was named a Hero of the Planet by Time magazine in 2005 for his founding of CCX, and in 2007 as the “father of carbon trading.” For a full history of CCX, full roster of CCX members, daily prices and other Exchange information, see [www.chicagoclimateexchange.com](http://www.chicagoclimateexchange.com).

