



Market Monitor

by the Market Surveillance of EEX

Q1 & Q2 / 2011

1. Report by the Market Surveillance

The tenth issue of the EEX Market Monitor is published this month. It constitutes the report by the Market Surveillance (HÜSt) of the European Energy Exchange (EEX) for the first and second quarter of the year 2011.

The Market Monitor focuses on subjects of regulation and monitoring of the energy market in general and on EEX in particular. Furthermore, it is intended to provide a report on the development of the markets during the respective past six months in a neutral and objective manner.

This issue contains the report on our activities during the first half of the year 2011.

The editorial focuses on the change in energy policy in Germany. We will focus, in particular, on how the change in energy policy came about and which consequences this development has had on the market.

After the editorial, we will briefly report on the activities of the Market Surveillance Office. Afterwards, we will summarise the events on the market over the past six months on EEX.

The EEX Market Monitor is not only intended for the EEX trading participants and their compliance departments but also and in particular for the interested public. We hope to reach associations, authorities as well as all those persons interested in the liberalised energy market and in EEX with this publication.

We provide the EEX Market Monitor on the EEX internet site but are also pleased to send it out via e-mail. To that end, we provide the possibility of subscription. After that, you will automatically receive the respective current EEX Market Monitor upon its publication. Please send a short e-mail to surveillance@eex.com to this end.

We hope that you will enjoy reading the EEX Market Monitor.

We are, of course, very grateful for recommendations and suggestions.

Your EEX Market Surveillance Office

2. The Change in Energy Policy in Germany

Following the decisions of the federal government of Germany leading to a fundamental Change in Energy Policy after the nuclear catastrophe in Japan, the derivative markets of the European Energy Exchange showed significant price reactions. In the middle of March prices of the year futures traded on EEX increased to a level that has not been reached since mid-2010. This development went along with an erratic rise in the trading volume.

Because of this extraordinary change within an extremely short period of time, the Market Surveillance Office of EEX examined the trading behaviour of all trading participants for compliance with the applicable rules, in particular, during this period.

The Market Surveillance Office monitored the developments with the aim of ascertaining the extent of the external impulses for trading on EEX and checking whether the elements of the offences of market manipulation or insider trading might perhaps apply here. The following research shows exemplary some excerpts of the analysis which Market Surveillance Office did during the first half-year concerning this topic.

2.1. The Route towards the Change in Energy Policy

On 11 March 2011, a severe earthquake happened off the Japanese Pacific coast. This earthquake caused far-reaching destruction in the northern Japanese infrastructure and, in addition, it also caused a tsunami. The combination of these two natural disasters led to malfunctions in the cooling systems in several Japanese nuclear power plants. In this context, the consequences at the Fukushima nuclear power plant, which caused a failure of the power supply of the power plant, were particularly severe so that the reactor cores as well as the stored fuel rods were cooled insufficiently. With six reactor blocks and an electric net output of up to 4.5 gigawatt Fukushima Daiichi (one of the oldest Japanese nuclear power plants) was one of the nuclear power plants with the highest capacity in Japan.

While the situation became increasingly worse in the nuclear facilities – in particular, in Fukushima – a heated debate regarding the use of nuclear energy was triggered, in particular, in Germany at the same time. Against this backdrop, the federal government adopted a number of measures which e.g. led to the provisional shut-down of older reactors in Germany in the context of the moratorium on nuclear power.

The moratorium, which had a limited term of three months, was imposed in order to re-evaluate the current situation and to check possible modifications of the framework conditions in the field of the energy supply, in addition. Following the announcement of this information on 14 March 2011, price changes which were connected with unusually high trading turnover were observed on the European Energy Exchange (EEX).

After the announcement had caused a period of high volatility and comparatively high trading turnover on EEX, the federal government adopted a decision to finally shut down the 8 nuclear power plants affected by the moratorium in the night of 30 May 2011. This concerned the nuclear power

plants Biblis A and B, Brunsbüttel, Isar 1, Krümmel, Neckarwestheim 1, Philippsburg 1 as well as Unterweser.

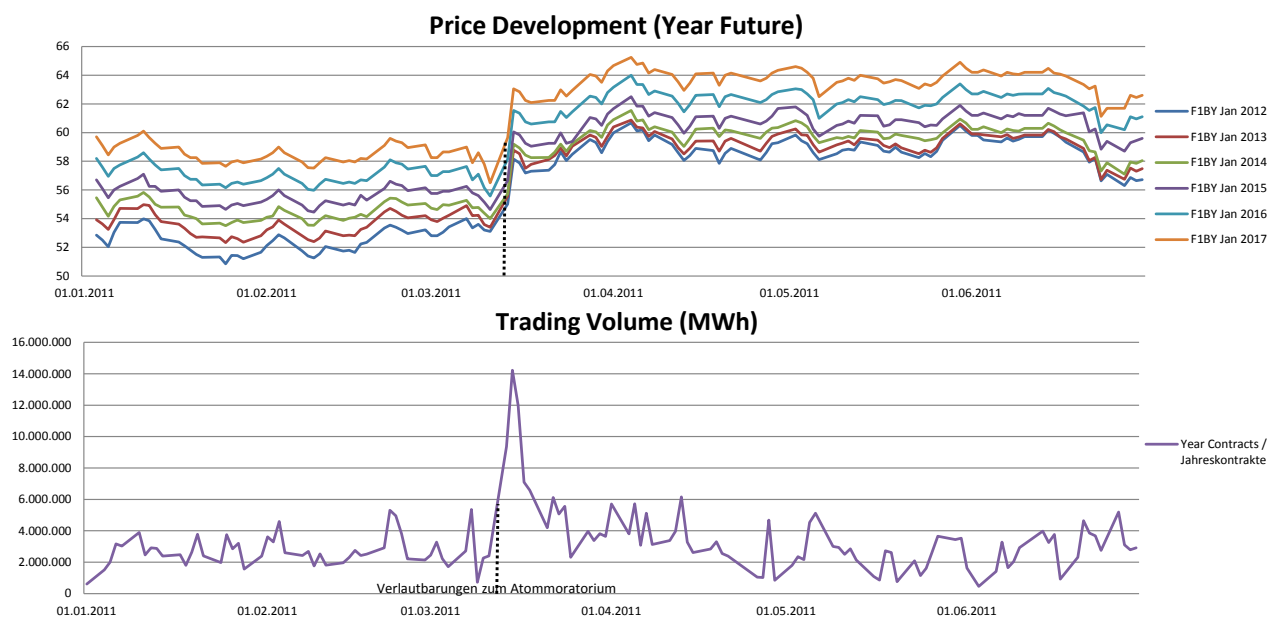
Finally, in total eight laws were adopted in a legislative package by the federal cabinet on 06 June 2011. This step aims at implementing the so-called “change in energy policy” in Germany. The essential aspects of the legislative package comprised the withdrawal from the nuclear energy programme, the accelerated expansion of regenerative generation and transport capacities (grid expansion) as well as the implementation of the third legislative package of the EU Commission. The German parliament adopted the package of measures on 30 June 2011.

The chart below provides an overview of the course of events:



2.2. Monitoring of the Events by the EEX Market Surveillance

On 14 and 15 March 2011, significant price and volume fluctuations were observed on the Power Derivatives Markets. These developments are shown as examples in the illustration below with the help of the year futures traded on EEX.

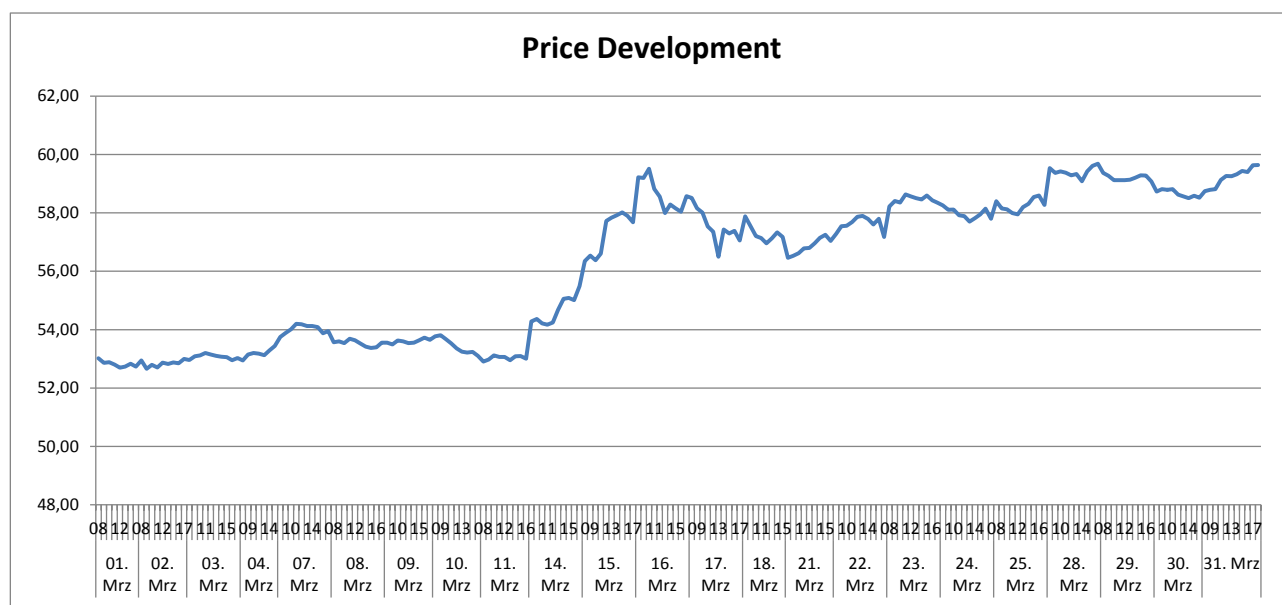


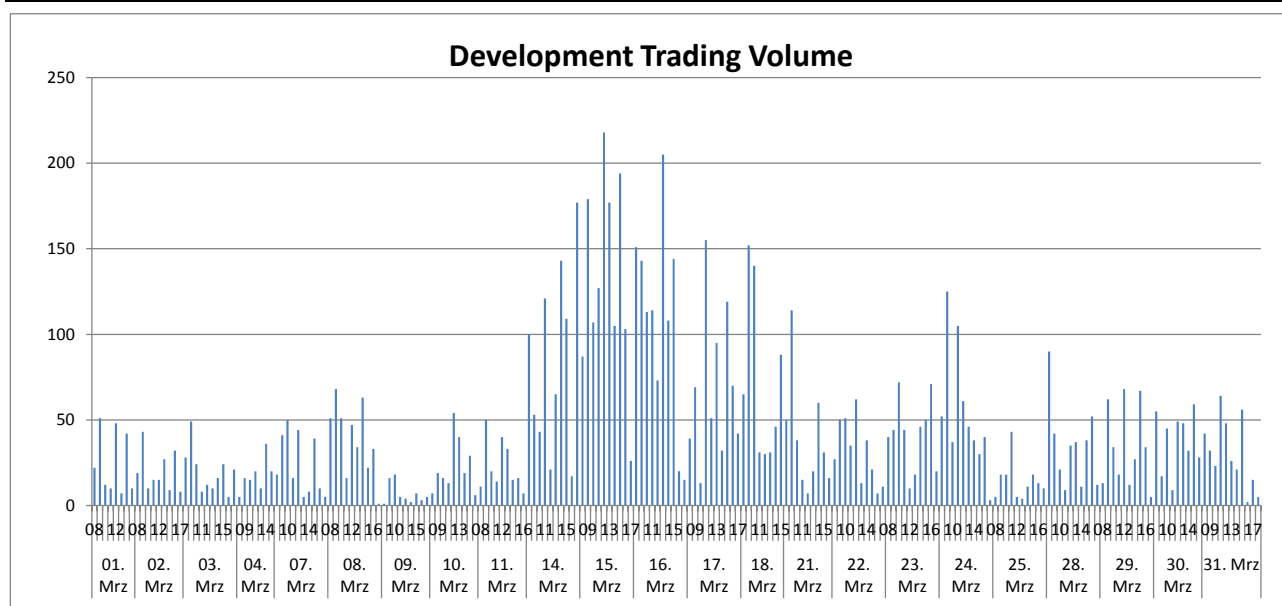
Overall, it was observed that the price shock was accompanied by a significant increase in the trade volume. While the trade volume of the annual future typically ranges between 2 and 4 TWh in the course of the year, the volume peaks observed on 14 and 15 March lie significantly outside this interval. On these days, the highest volumes ever traded on EEX were recorded.

2.2.1. Classification of the Events of 14 and 15 March 2011

In order to analyse the pricing shock described above in more detail it is appropriate to look at the two trading days in detail and to compare these with the respectively current news situation on an hourly basis. Since the Market Surveillance Office does not publish data at the level of the participants, a top-down approach is applied here with the help of which we can check on a global level whether there might be indications of market behaviour which might not be in line with the rules.

The illustration below outlines the price and volume development of the front year future of the F1BY Jan 2012 in March 2011.





In this context, the price increase on 14 and 15 March 2011, which has already been described, in particular, in connection with an enormous expansion of the trade volumes becomes clear. On the basis of this illustration with a data basis which is broken down into hours, the price and volume movements can be associated with the current news situation at the time.

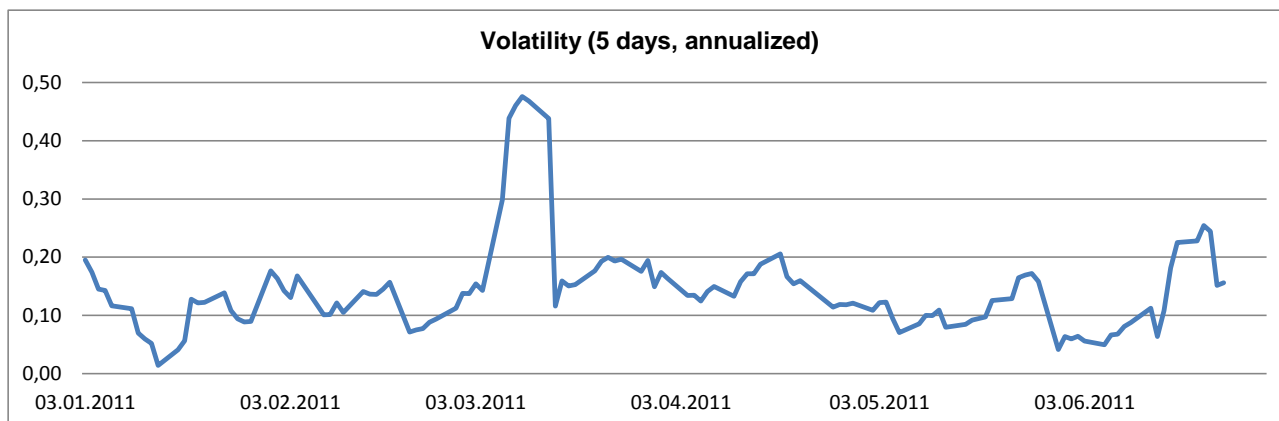
Therefore, the times between 11:00 and 13:00 on 14 March 2011, in particular, are particularly interesting since comparatively high volume and price differences were recorded during this period. This fact can be associated with first press releases, e.g. by dpa (Deutsche Presse Agentur), which announced the plans of the federal government to suspend the planned extension of the life time of nuclear power plants. Furthermore, as early as at this point in time, comprehensive safety checks of the German nuclear power plants were mentioned. Since nuclear power accounts for more than 20% of the power generated in Germany, the observed price and volume responses are a consequence of changing fundamental conditions. In the further course of the day, further information was processed by the capital market participants. Moreover, high volumes which were connected with high price volatilities were observed in this context.

This development was exceeded on the following day (15 March 2011), on which the highest trade volumes ever seen so far were recorded on EEX. Announcements by the federal government regarding the temporary shutdown of 8 nuclear power plants (including Krümmel) led to a price increase of roughly EUR 2 in connection with extremely high trade volumes (within a period of 2 hours roughly 350 contracts were traded in the front year future) between 11:00 and 12:00. In the course of the rest of the trading week, prices adjusted to a level of EUR 54 per MWh as the low point on 18 March 2011 with trade volumes which remained high but declined.

Overall, the fluctuations on the derivatives markets during the period considered were clearly driven by fundamental processes of change. A connection between the respectively current news situation and the fluctuations on the power derivatives market can be clearly observed.

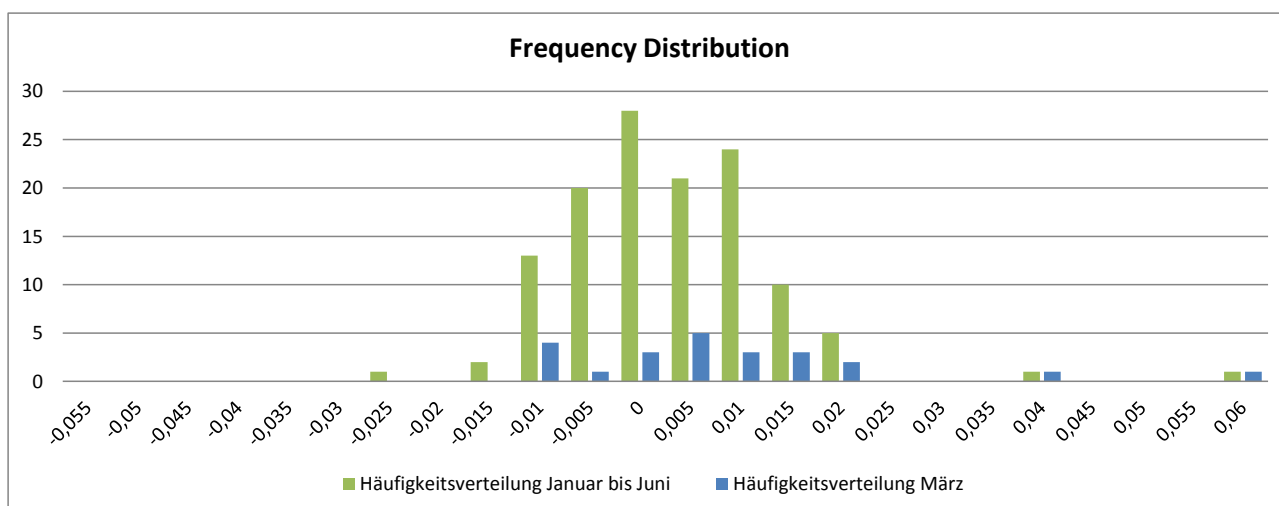
2.2.2. Development during the subsequent period

After the derivatives markets had displayed a high degree of uncertainty in mid-March, trading in energy derivatives increasingly stabilised during the following weeks. This stabilisation of the markets was characterised, in particular, by a decline in the historic volatility (measure of intensity of fluctuations). The following illustration shows the development of the 5-day volatility during the first half of the year 2011.



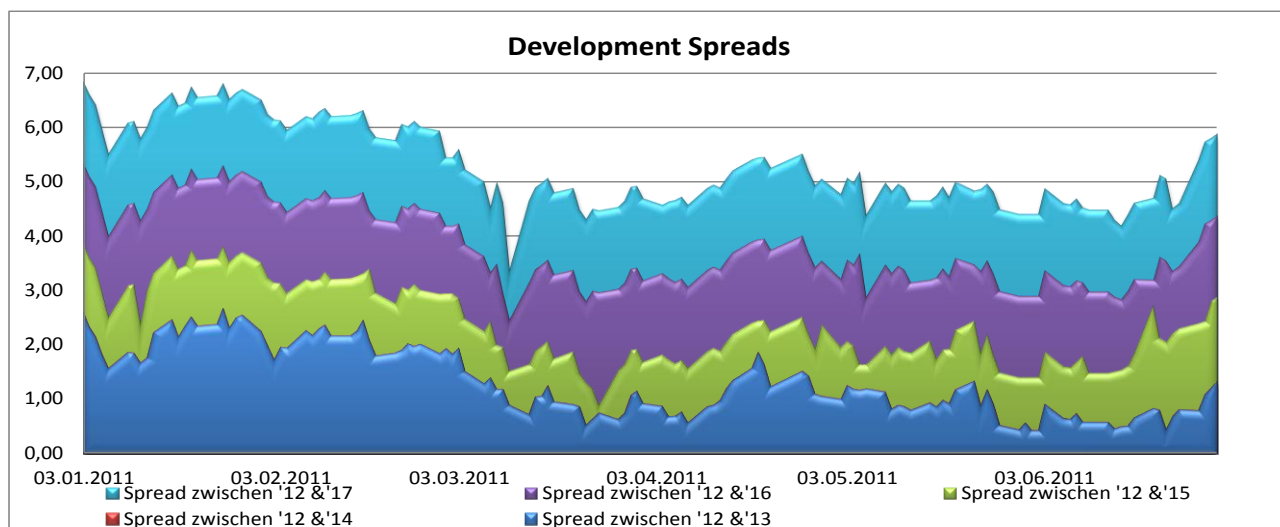
The illustration clearly shows the strong increase in the fluctuation intensity, which is established on the basis of the major jumps in prices in mid-March. In this context, the value of 0.48, which constituted the highest value by far, was reached. During the following period from April 2011 until June 2011, this development normalised to a level of on average 0.13. As a result of this, volatility fell to a level comparable to the level from January to the beginning of March (average 0.11).

A glance at the frequency distribution of the return for the entire period under review compared with the frequency distribution for March shows the cause for the increase in volatility described above. While the distribution over the total period (green) relatively closely resembles a normal distribution overall, the frequency distribution of the returns in March (blue) has a certain inclination as well as a relative frequency of extreme returns in the segment of more than 2.5% (fat tails).



While the prices of the individual year futures still ranged at a comparatively high level from April to June, the trade volumes reduced tangibly. Even the final announcements of the ethics commission established and the subsequent implementation of these into legislation did not lead to price and volume fluctuations on the same level as those observed in mid-March by far.

If we leave the field of the isolated consideration of the price and volume development of individual futures, a more detailed analysis of individual futures prices compared with each other is particularly interesting. The following illustration shows the price differences between the different maturities of the year futures (2013 to 2017) as against the front year futures (maturity: 2012).



Initially, we can record that, throughout the entire period under review, all year contracts with a later maturity were more expensive than the corresponding front year contract with $\text{Price}_{\text{FIBY2012}} < \text{Price}_{\text{FIBY2013}} < \dots < \text{Price}_{\text{FIBY2017}}$. This results in a generally positive spread between futures with short and long terms (contango market). However, it becomes obvious that, during the first half of the year, the overall spread across all maturities fell from originally EUR 6.85 to EUR 5.88. The spread reached its low at EUR 3.39 in mid-March.

2.2.3. Conclusion

This analysis and further examinations did not result in any evidence of trading activities that might indicate a potential lead in information or manipulative interventions by individual trading participants. This means that the trading activities followed the generally valid rules of the exchange in spite of their unusual pattern.

The analysis shows that the change in prices and volumes can be linked to a fundamental process of change in the energy industry, which was caused by political decisions – especially the Change in Energy Policy. Furthermore it was observed, that the nuclear catastrophe in Japan had a negligible effect on the pricing of futures on derivative markets.

In other words, the described development shows on the one hand side how fast and sensitive the derivative markets for energy react on fundamental political decisions and on the other hand the monetary value which the market participants allocate to the changed surrounding conditions.

3. Report on the Activities of HÜSt during the First Half of the Year 2011

At this point, the Market Surveillance Office is pleased to provide a report on its activities during the months from January to June of the year 2011.

HÜSt has analysed the trading data for every trading day and examined it with regard to possible violations of the rules and regulations of the exchange. In case of indications of such violations, the respective trading participants were contacted. In this way, these suspected cases of violations were fully cleared up.

Furthermore, HÜSt carried out various examinations which supplement the daily supervision. In this context, various markets and the trading participants' trading behaviour were analysed and individual indications and suspicious facts and circumstances were examined.

In the context of the auctions in emission allowances, HÜSt continued its documentation and reporting tasks. For this reason, a document is prepared on the day following the auction in each case so that the public is given access to different parameters of the auctions through the website of EEX (as has been the case since the beginning of 2010). Moreover, intense evaluations were carried out, e.g. in the framework of reporting to the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety as well as the Federal Environment Agency.

In addition to the regular reports to and meetings with the exchange supervisory authority, the Saxon Ministry of Economic Affairs, Labour and Transport, the Market Surveillance Office also reported to the competent foreign supervisory authorities.

In February 2011, two employees of the German Emissions Trading Authority (DEHSt) visited EEX. Experience was exchanged and new insights were gained in this context.

A close and trusting cooperation is maintained with the Market Surveillance Office of EPEX Spot. This e.g. comprises regular and prompt communication, joint reporting and the joint examinations.

In January 2011, the Market Surveillance Office of EPEX and EEX met with the French energy regulatory authority - Commission de Régulation de l'Énergie (CRE). The development of the power market in 2010 was discussed. Moreover, measures taken by the exchanges against VAT fraudsters and the exchange of data between CRE and the Market Surveillance Authorities were also covered. Furthermore, CRE informed the EEX Market Surveillance Office that the French authority is now also in charge of monitoring the French EUA market, in addition. Subsequent to this meeting, CRE and HÜSt coordinated a new regular report. This report has been sent out to CRE regularly since the beginning of the year 2011 and provides comprehensive information on the French EUA market.

The Market Surveillance Monitoring System (MSMS), which supports HÜSt in monitoring trading and enables it to carry out special data inquiries for examinations and evaluations, has been expanded and improved (amongst other aspects by integrating a new trading system and new products).

Moreover, the staffing of HÜSt changed during the first half of the year 2011. HÜSt now has the following staff:



Dr. Wolfgang v. Rintelen
Head of the Market Surveillance Of-
fice
Lawyer



Antje Heyn
Expert in business mathematics



Marcel Schiele
Political scientist



Patrick Sack
Business economist

HÜSt endeavours to consistently expand its know-how and to develop further. To this end, the members of staff of HÜSt take part in further training.

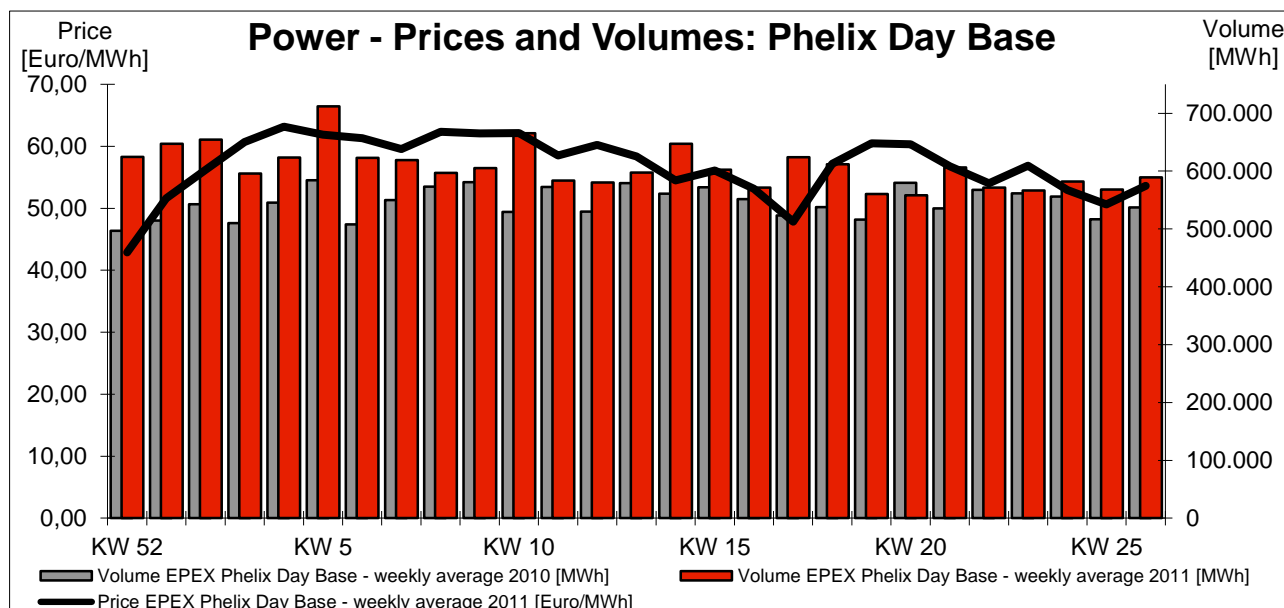
4. Developments on the Market

The overview below contains a summary of the development on the markets during the past period under review. This report is only intended as general information regarding the events on the markets of EEX for the trading participants and the interested public. The Market Surveillance Office does not engage in analysts' activities. Neither it nor EEX itself comment on or evaluate the development of prices on the different markets. Market Surveillance does not prepare any forecast under any circumstances since this is diametrically opposed to its task.

4.1. Power

4.1.1. Development of prices and volumes on EPEX – Power Spot Market –

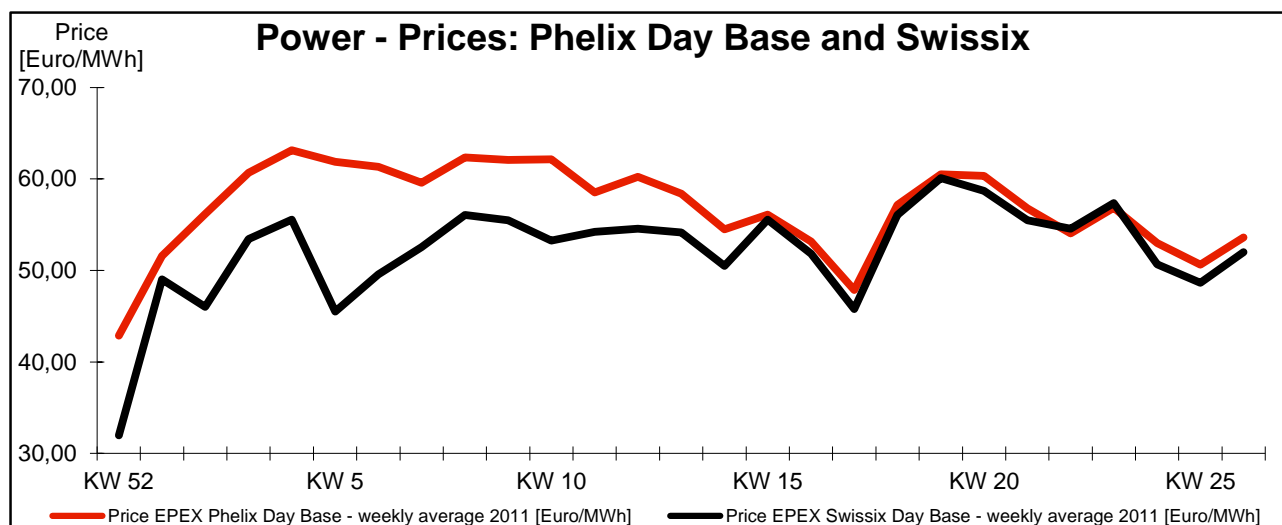
EPEX Spot SE provides a platform for continuous spot market trading in the market areas of Germany/Austria and France and for auction trading in the market areas of Germany/Austria, France and Switzerland. On the basis of the results of the daily auctions on the Spot Market, EPEX establishes the Phelix Day Base, which forms the reference for the development of the power prices in Germany and Austria.



The chart above shows the development of prices during the first half of the year 2011. In this context, the volumes range between 558 GWh and 712 GWh on a weekly average. On average, almost 607 GWh per week were traded during the first half of the year 2011. As against the previous year this corresponds to a considerable increase of approx. 61 GWh per week.

During the period under review, the volumes ranged around 550 GWh; however, after several weeks they increased to considerably above this level. This was observed, in particular, at the beginning of the year. The last calendar week was a short week because of the end of the year.

The chart below shows the Phelix Day Base as against the Swissix index for the Swiss market area.

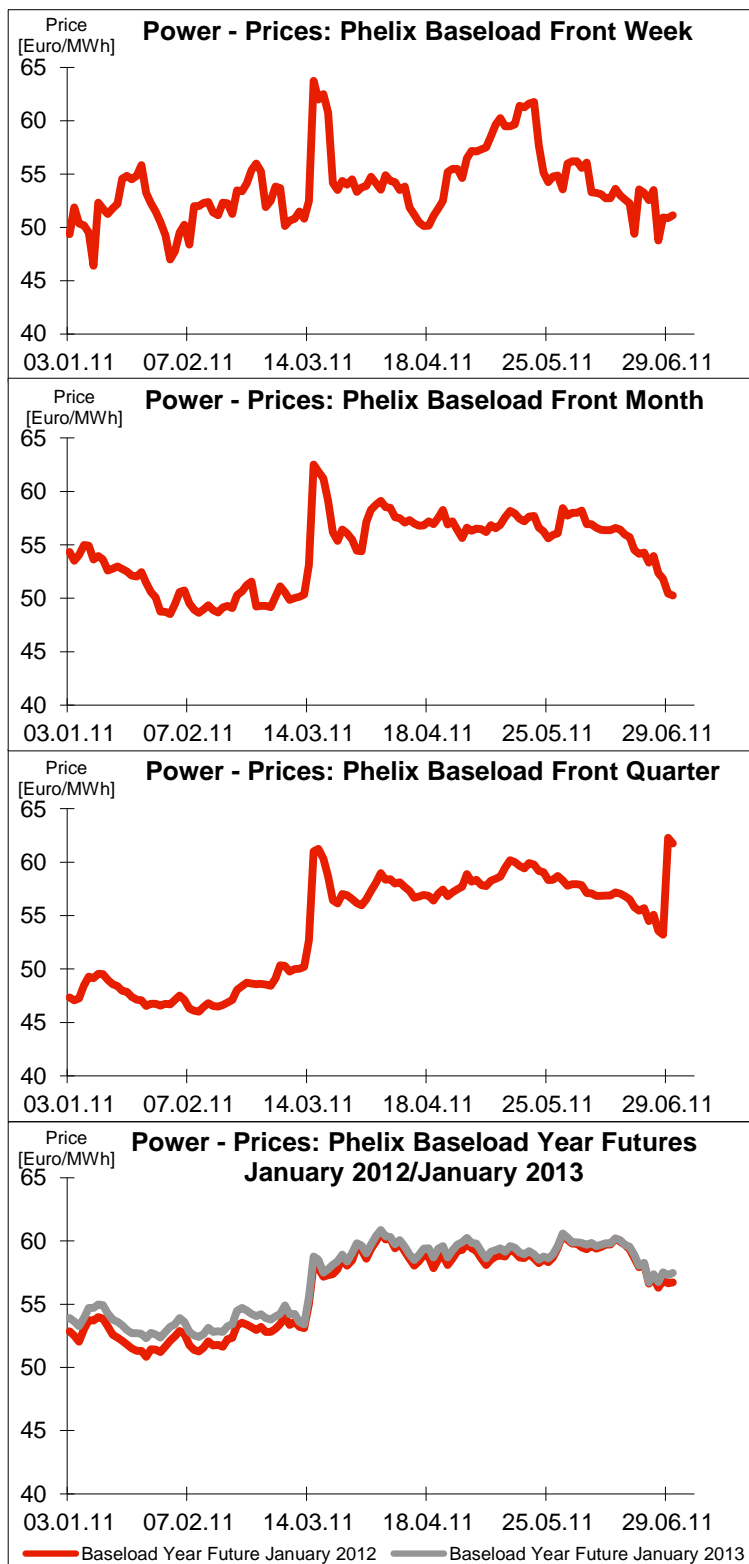


During the first quarter of 2011, the deviations of the weekly averages between the Phelix and the Swissix were bigger than in the second quarter of 2011. In this context, the maximum deviation was more than EUR 15 with Phelix being more expensive. From the second half of the first quarter the two price curves had a significantly more parallel course. In the second quarter of 2011, the weekly averages of the Phelix and the Swissix displayed only minor deviations from each other.

Initially, the weekly averages of the Phelix Day Base and of the Swissix increased by more than EUR 20.00 within a period of approximately five weeks. Afterwards, both indices ranged slightly sideways and, afterwards, they fell until calendar week 17. Until calendar week 19, prices increased again by approx. EUR 15. Afterwards, prices fell again until the end of the period under review.

4.1.2. Development of prices on EEX – Power Derivatives Market –

On the Derivatives Market futures on power are traded in addition to options. Futures comprise the



right and the obligation to buy a certain quantity of power at a price established upon the conclusion of the contract at a certain point of time and/or during a certain period of time in the future.

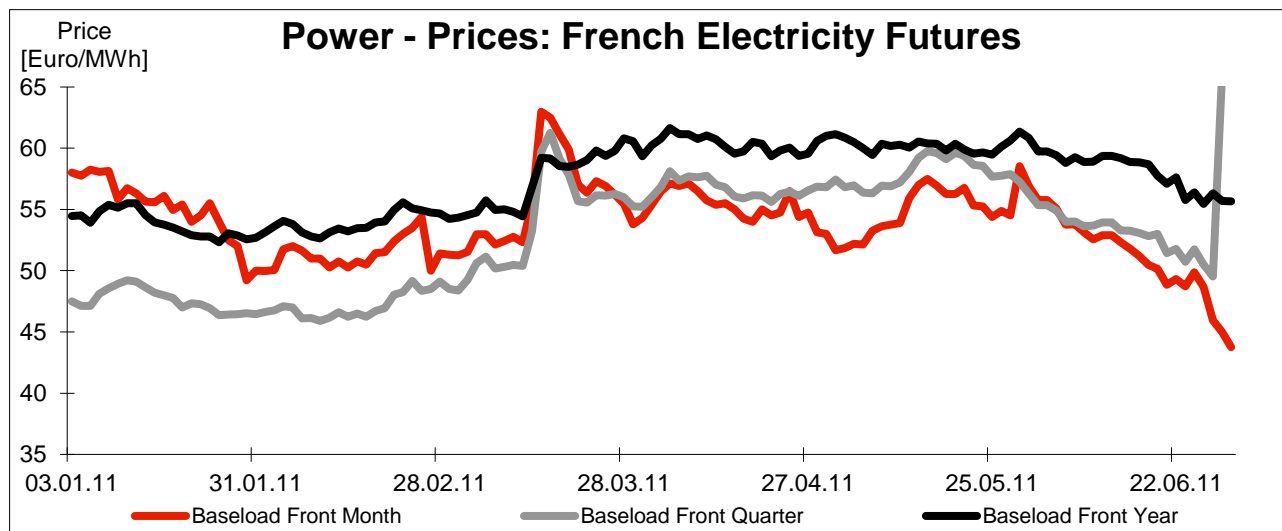
The development of the prices of the front contracts of the Phelix Baseload Week, Month and Quarter Futures is shown in the illustration. This leads to jumps in the price level which are exclusively due to the change of the respective contract shortly before the end of the week, the month or the quarter.

If these jumps on account of the change of the contract are not considered, there are comparable price developments in all contracts shown. The week futures are partly exempt from this trend, in particular, on account of their proximity to the Spot Market. In general, the curves are the more volatile the shorter the delivery period of the contract is.

In January, prices fell slightly and, afterwards, they ranged sideways. In mid-March the price increased abruptly by approx. EUR 10, which was due to the moratorium on nuclear power plants. Afterwards, the prices of the week, month and quarter futures fell again and then ranged more or less sideways subsequent to that. The year futures also remained approximately on this high level from the beginning of the moratorium until June. Towards the end of the first half of the year 2011 prices declined further in all

futures.

In addition to Phelix Futures, French Power Futures with different maturities can e.g. also be traded on EEX Power Derivatives GmbH (EPD). Physical settlement of the base load and peak load futures is effected by means of the delivery of power into the RTE balancing zone.



The chart above shows the development of prices for the front contracts of the French Power Base Load Futures with maturities in the month, quarter and year segment.

In this case, too, the price developments of the different contracts largely have a parallel course if jumps caused by the switch of front contracts are not considered.

Overall, the price curves fell slightly in January and then ranged sideways until mid-March. As in the case of the Phelix futures, the prices for the French Electricity Futures also increased by approximately EUR 10 at the beginning of the moratorium on nuclear power plants.

Until June, the year futures remained approximately at this high level. The prices of the month and quarter futures, on the other hand, fell slightly again and afterwards displayed a sideward movement. At the end of the first half of the year 2011, the prices for all futures declined further.

The development of the prices of the French Power Futures is similar to that of the corresponding Phelix Baseload contract with the price level of the French futures being higher than that of the corresponding Phelix futures in general.

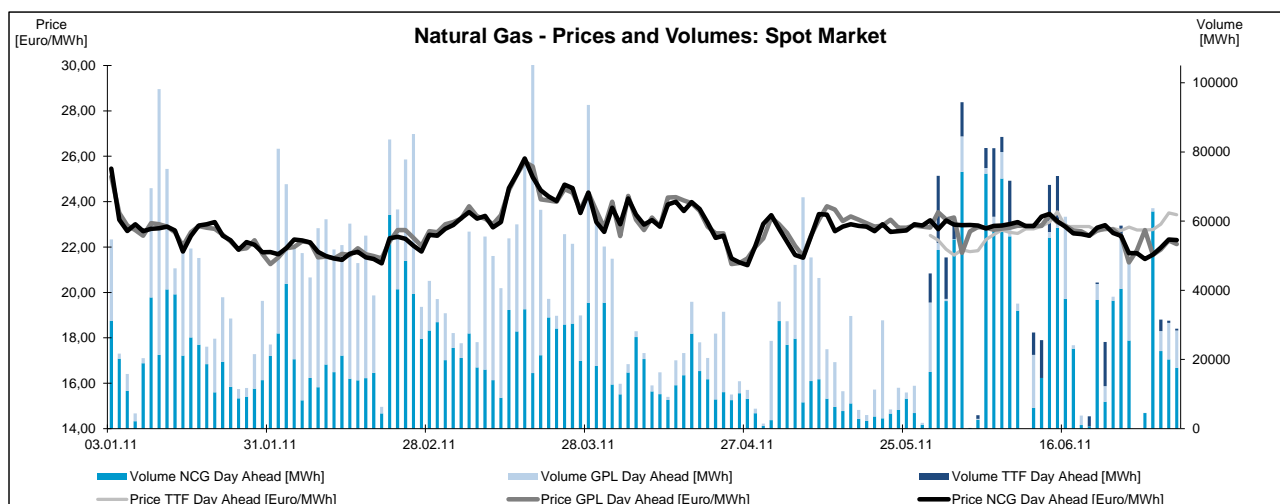
4.2. Natural Gas

On EEX natural gas is tradeded on the Spot and on the Derivatives Market. On the Spot Market, natural gas is tradeded for the next and next-but-one day as well as for the weekend. The Spot Market for natural gas is used for the short-term optimisation of gas procurement and sales, for trading external balancing energy as well as for arbitrage transactions between market areas.

On the Derivatives Market, natural gas can be traded for the current month, the next six months, seven quarters and six calendar years and, in addition, for the next four seasons (summer and winter season) in the NCG market area. The Derivatives Market is used for the medium- to long-term optimisation of gas procurement and sales.

4.2.1. Development of prices and volumes on EEX – Gas Spot Market –

On 30 May 2011, natural gas can also be traded on the EEX Spot Market for the TTF (Title Transfer Facility) market area. The market area was also added accordingly in the chart below.

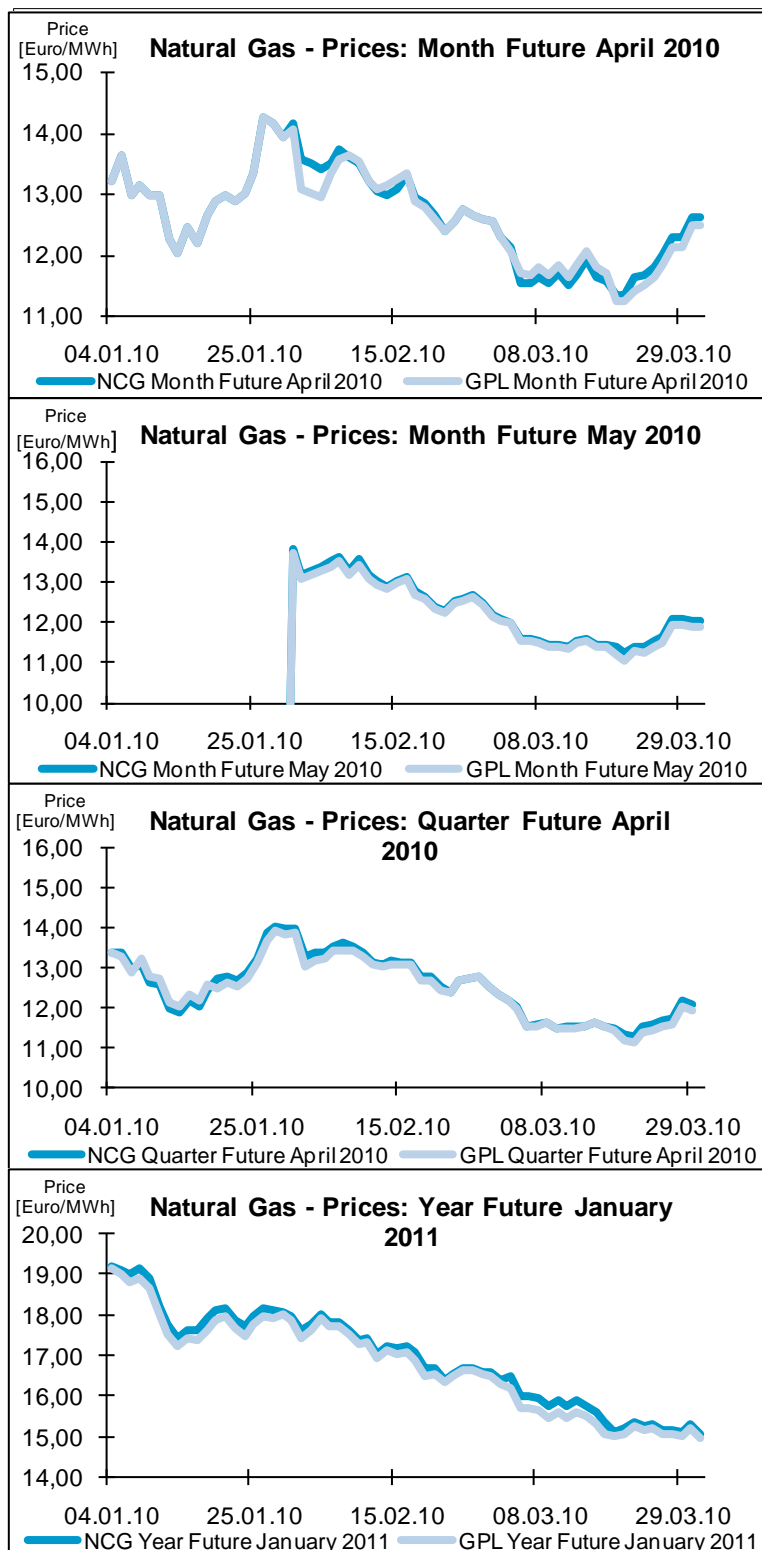


At in total 2,888,404 MWh, the volume traded in the NCG market area was slightly higher than the total trade volume in the GASPOOL market area (2,195,654 MWh) in the first half of the year 2011. However, the highest day-ahead volume recorded on any given trading day was reached in the GPL area on 17 March and amounted to 90,840 MWh. All in all, the volumes traded every day fluctuated considerably. Since gas has only been traded for the TTF market area since the end of May, the volume is still very low and, for this reason, a comparison is dispensed with at this point. It will only turn out how trading in TTF products will evolve on EEX over the next months.

Except for minor deviations, the developments in the prices of both market areas, NCG and GPL, were comparable during the first half of the year 2011. Moreover, the TTF prices were at approximately the same level as NCG and GPL until the end of June. Prices ranged within a corridor between approximately EUR 22 and EUR 26 per MWh. Initially, prices fell by circa EUR 3.00 to approx. EUR 23.00. Afterwards, they remained on this level until mid-February. Afterwards, prices rose to roughly EUR 26 per MWh until 16 March 2011. By the end of April, prices were more volatile and fell to a level of approx. EUR 22 per MWh. After a short price increase to a level of approx.

EUR 23 per MWh, prices tended to range sideways from mid-May. At the end of June, the day-ahead prices in the two market areas, NCG and GPL, fell slightly, whereas the TTF prices still displayed a sideward movement.

4.2.2. Development of prices on EEX - Gas Derivatives Market –



The delivery or purchase of natural gas in H-gas quality in accordance with DVGW [German Technical and Scientific Association for Gas and Water] guideline 260 with a constant output of 1 MW during the time from 06:00am on any given delivery day of the delivery month until 06:00am of the following calendar day at the virtual trading point within the market areas of NetConnect Germany GmbH & Co KG 3 (NCG Natural Gas Futures) or GASPOOL (GPL Natural Gas Futures) constitutes the subject of the contract of the physical gas futures on the EEX Derivatives Market. All calendar days of the delivery month are delivery days.

The prices of all gas futures shown here displayed very comparable developments: In January, prices fell by between EUR 2.00 and 3.00. This was followed by an increase in prices which continued into March. Afterwards, prices fell until the end of the first half of the year 2011 with prices falling more strongly until the end of April 2011 than from May to June 2011. In May, prices even tended to range sideways rather than to fall.

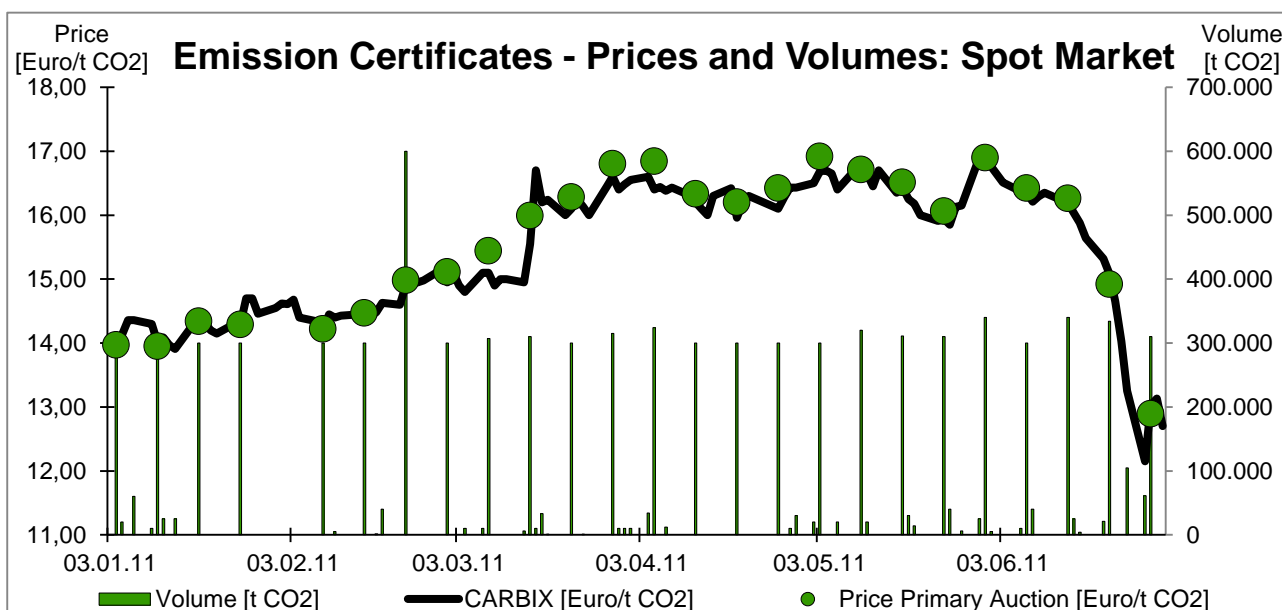
The prices for the two market areas developed very uniformly on the Derivatives Market; there were hardly any deviations. In a direct comparison, the prices for the NCG market area were mostly higher than those for the GPL market area.

4.3. Emission Rights

4.3.1. EEX Carbix and Trade Volumes

The EEX Carbix is a price index for EU emission allowances (EUA), which is established in an intraday auction on the EEX Spot Market on every exchange trading day. One EUA confers the right to emit one tonne of CO₂ equivalent (t CO₂).

Since 5/6 January 2010 auctions regarding emission allowances have been held on EEX on behalf of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety. This means one Spot and one Derivatives Market Auction each take place every week. In the Spot Market Auctions 300,000 EUAs each were auctioned off on Tuesdays between 1 January and 30 June 2011. The Spot Market auction scheduled for 01 February 2011 formed an exception to this. Because of the closure of all national registries (including the German registry) requested by the EU Commission, this auction could not be carried out. After the re-opening of the German EUA registry on 04 February 2011, the repetition of the auction which had not been carried out was scheduled for 22 February 2011 and carried out on 22 February 2011 together with the auction which was carried out as a scheduled auction on this day in accordance with the rules of the auction ordinance and of



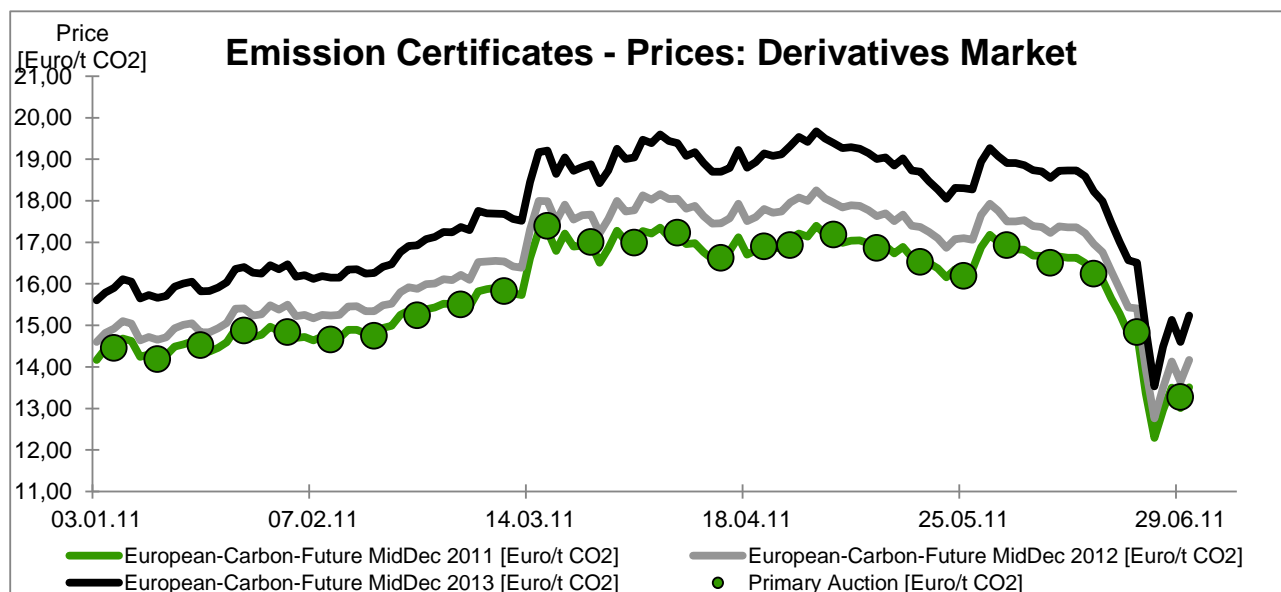
EEX.

Their daily turnover fluctuated between January and June 2011. The turnover in the primary market auctions, in particular, can be seen clearly.

During the first quarter of 2011, the Carbix increased from EUR 14.00 per t°CO₂ to approx. EUR 16.50 per t°CO₂. With a range of variation of approx. EUR 1 per t°CO₂, the Carbix remained approx. on this level until the beginning of June 2011. This was followed by a steep decline in prices. At the end of June 2011, the price fell by approx. EUR 4.00 per t°CO₂. The sales prices established in the primary market auctions reflect the course of the Carbix for the secondary market.

4.3.2. Development of prices on EEX – Derivatives Market for EU Emission Allowances (EUA) -

The second commitment period for EUA began on 01 January 2008. At the moment, futures contracts with maturity from December 2010 to December 2012 can be traded in the second commitment period and futures contracts with maturity from December 2013 to December 2014 can be traded in the third commitment period.

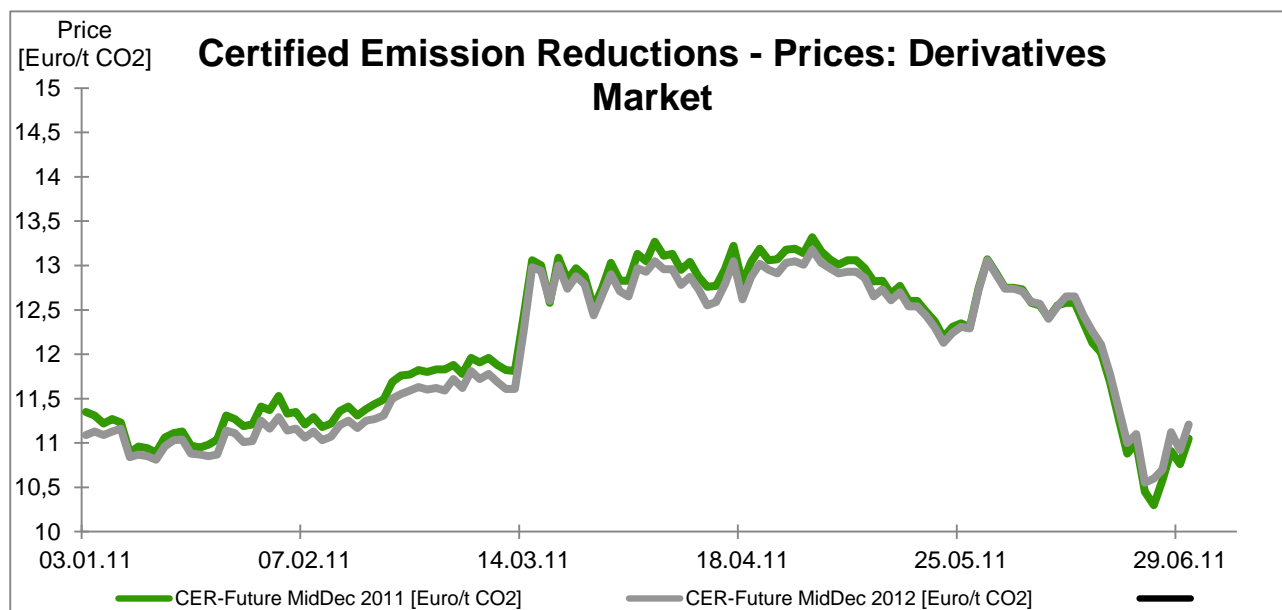


The prices of the EUA Futures for the maturities December 2011 to December 2013 displayed a development which was almost identical; however, price levels increased with the time of the maturity of the respective contract. In this case, too, a development of the futures price which is comparable with the Spot Market can be observed. However, the range of variation of the different maturities is somewhat lower than that of the Carbox and absolute prices on the Derivatives Market are higher than on the Spot Market in general.

The sales prices established in the Primary Market Auctions on the Derivatives Market, which were carried out in line with the Spot Market auctions on behalf of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety on a weekly basis every Wednesday and comprised 570,000 EUA every week, are also shown in the chart above. On the Derivatives Market the prices established in the Primary Market Auction are also in line with those of the corresponding secondary market contract.

4.3.3. Development of prices on EEX – Derivatives Market for Certified Emission Reductions (CER) -

Certified Emission Reductions Futures (CER Futures) are emission credits which are generated through emission reduction projects in developing countries and can be used towards the fulfilment of obligations under the Kyoto Protocol. On EEX, they can be traded for the maturities from 2010 until 2012.



The prices of the CER futures developed similarly to the EUA Futures and are characterised by a high volatility in a price range between EUR 10.30 and EUR 13.32 Euro per t CO₂. In this case, the contracts with maturity in 2011 and 2012 are on the same level in terms of prices initially. In the course of the first quarter and, in particular, in March, prices increased by approx. EUR 2.00; however, subsequent to this they fell again significantly in June 2011. At the end of June 2011, prices reached a level of approx. EUR 10.30 per t CO₂ and increased a little afterwards.

5. EEX in the Press

20 January 2011 EEX not Affected by Unauthorised Account Access to Emissions Trading – Trading and Primary Market Auction on EEX continue

The structures and processes of the European Energy Exchange (EEX) and the clearing subsidiary European Commodity Clearing (ECC) have again proven reliable and secure despite recent hacking attacks on diverse national emissions trading registries. The EU Commission has suspended all national and international transactions for all European EUA registries for safety reasons until 26 January 2011, 19:00 CET earliest. The declaration of the EU Commission is provided at: http://ec.europa.eu/clima/news/index_en.htm.

27 January 2011 Launch of the New EEX Gas Index

Today, the European Energy Exchange AG (EEX) launches the European Gas Index (EGIX). This transparently established gas price index contributes to strengthening the importance of the price signal which the exchange sets for natural gas.

The new gas price index by EEX is based on all exchange trades concluded in the respectively current front month contracts of the NCG and GASPOOL market areas on the Derivatives Market. On the basis of these trading transactions EEX then calculates a volume-weighted average price across all transactions on every exchange trading day. The EGIX corresponds to the arithmetic mean across all daily values which are established until that time and refer to the same front month. The daily values and the monthly averages for the EGIX are established for the NCG and GASPOOL market areas as well as for a virtual market area comprising Germany.

EEX publishes further information on the EGIX on its website at the following link: http://www.eex.com/en/EEX/Products%20%26%20Fees/Natural_Gas/EGIX_European_Gas_Index.

28 February 2011 EEX establishes separate Settlement of EUA Primary Market Auction and EUA Secondary Trading

From 1 March 2011, the clearing house of the European Energy Exchange AG (EEX), European Commodity Clearing AG (ECC), will carry out the settlement of transactions in European emission allowances (EUA) separately for transactions from the Primary Market Auction and the Secondary Market to provide for a clear proof of origin.

At the same time, ECC will continue to closely monitor the submission of EUA traded on the Secondary Market. In this context, ECC reserves the right to reject EUA which are connected with cases of unauthorised access to various national emission registers or to reverse such to the respective submitting trading participant.

In addition, EEX and ECC are in close contact with the competent national and European authorities in order to safeguard secure and trouble-free emissions trading.

15 March 2011 Exchange Council: EEX presents Strategy 2015

In its meeting chaired on 9 March in Paris by Peter Heydecker, Head of Trading and Member of the Executive Board of Alpiq Holding AG, the Exchange Council was informed of EEX's strategy for the period up until 2015, which was adopted in December. The focus on four strategic directions is at the heart of this strategy: These directions comprise the expansion of the leading position of EEX on the European power market, the further development of the gas market and the establishment of a reference price for gas, gaining market shares in trading in emission rights and a considerable expansion of the business field of clearing.

16 March 2011 EEX harmonises Trading Hours

As of 24 March 2011, the European Energy Exchange AG (EEX) will standardise the trading hours on all markets of the exchange to the hours from 08:00am to 06:00pm (CET).

18 April 2011 EEX commissioned to hold Primary Market Auction for 2012

The European Energy Exchange AG (EEX) will continue to hold the auctions for the EU emission allowances (EUA) issued by Germany in 2012. An extension contract was signed by EEX and the Federal Ministry of the Environment last Friday. Thus, the Ministry has used the option to extend the contractual relationship with EEX for the auctions in the year 2010 and 2011 by another year.

10 May 2011 EEX: 24/7 Natural Gas Trading to be Launched for the GASPOOL, NCG and TTF Market Areas

The European Energy Exchange (EEX) is continuing the expansion of its natural gas market. On 30 May 2011, EEX will launch 24/7 gas trading and, as a result, enable its trading participants to take part in short-term physical trading in natural gas 24 hours a day and seven days a week.

At the same time, the market areas connected to exchange trading on EEX (GASPOOL and NCG) will be expanded with the Dutch TTF market area. This is facilitated by the successful recognition of EEX as a gas exchange in the Netherlands which was granted recently by the Dutch Ministry of Economic Affairs.

14 June 2011 EEX supports Proposals by the EU Commission on Security Measures in EU Emissions Trading

The European Energy Exchange AG (EEX) supports the proposals by the EU Commission regarding the improvement of security in EU emissions trading. These measures, which were prepared in response to the hacker attacks on European registries, are to be adopted by the EU member states on 17 June 2011.

With this provision the EU Commission aims at protecting the acquisition of EU emission allowances (EUA) in good faith, since, so far, there has been no EU-wide uniform legal basis for this. After stolen EUA had been put into circulation, this resulted in the fact that, in some cases, bona fide buyers had to return their certificates – without being compensated for this financially.

The introduction of EU-wide rules on the transfer of ownership is to be accompanied by the non-display of serial numbers. In this case, the holder of the account cannot see the serial numbers – only relevant authorities (e.g. registries, prosecuting authorities) would see the serial numbers and respond accordingly in case of theft. “This is a sensible supplementary measure, which is, however, based on the precondition that clear rules on the transfer of ownership in EUA are in force. If this is the case, individual reviewing of the serial numbers by the trading participants themselves is no longer required”, explains Oliver Maibaum.

The security measures planned by the EU Commission could take effect as early as in autumn of 2011. However, this initially requires approval by the EU member states in the framework of the so-called Climate Change Committee.

Further information on this subject is available at the following link:
http://www.eex.com/en/document/91698/EEX_Comments_on_EC_proposal_on_security_in_EU_ET_S.pdf

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