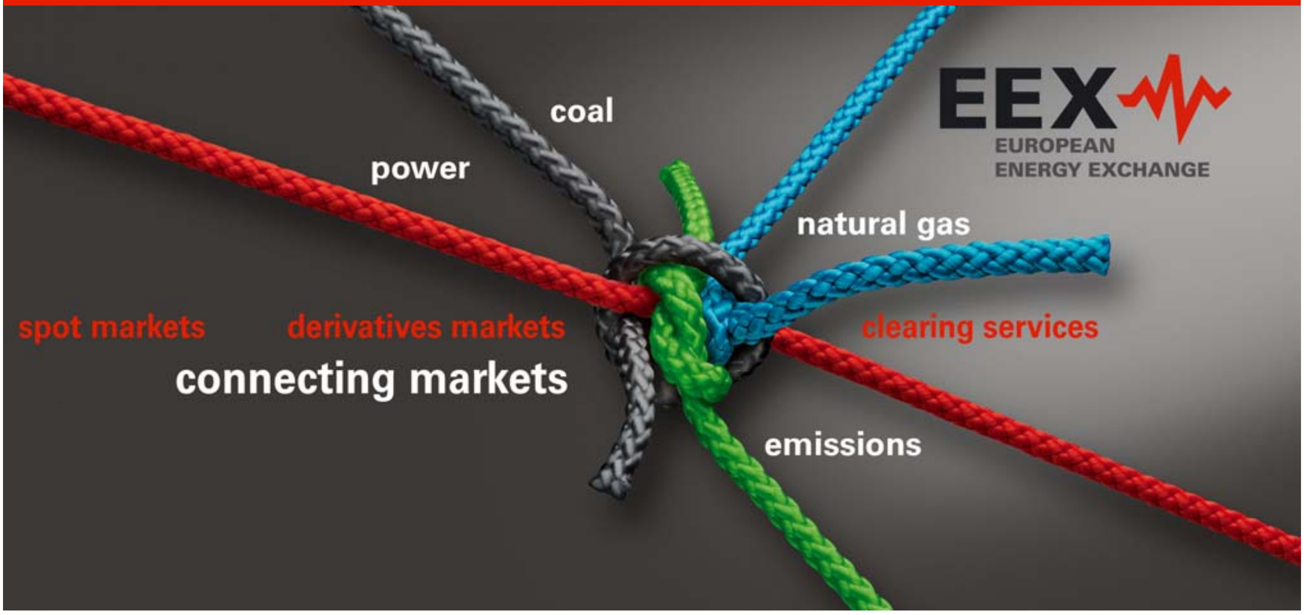


EEX MARKET MONITOR
BY THE MARKET SURVEILLANCE OF EEX
Q1/2008

1. Quarterly Report by the Market Surveillance of EEX

We are pleased to be able to present the second issue of the EEX Market Monitor, the quarterly report by the Market Surveillance of EEX, to you. We were very pleased about the big response we received. So far, more than 1500 companies and persons have accessed the EEX Market Monitor.

This offer aims at enabling the Market Surveillance as an independent body of the exchange to approach the public and to report to the public regularly on its activities during the past three months. In addition, we do not only want to deal with HÜSt specific topics we are also going to look beyond the trees and include topics regarding the supervision of the energy market in general and actual developments regarding EEX into this report.

In this issue, we will report on the activities of the Market Surveillance Office during the past quarter, the current developments in the regulatory environment and the expertise regarding pricing in spot market auctions. Afterwards, the events on the market over the past months will be summarized.

We hope that this issue of the EEX Market Monitor will once again provide interesting information on the work of the Market Surveillance to you.

We are very grateful for recommendations and suggestions. You can send these to us personally via e-mail.

The EEX Market Monitor is available for you to download on our web site at www.eex.com. Of course, we can also send you the EEX Market Monitor regularly. To that end, we offer you the possibility of subscribing to it. Please, send a short e-mail to the following address to that end:

surveillance@eex.com

2. Report of the Market Surveillance

In addition to daily monitoring of trading on EEX, the Market Surveillance Office carries out a large number of special investigations triggered by specific causes. Reasons for the execution of such special investigations during the reporting period were, e.g. suspicious circumstances found in the course of daily monitoring, instructions to that end by the exchange supervisory authority, tips by market participants or reporting by the media.

The investigation regarding the involvement of national energy suppliers, which was already carried out during the fourth quarter of 2007, was expanded by the investment structures of foreign energy suppliers. The trading behaviour of parent companies with their subsidiaries and vice versa on EEX, in particular, was analysed. As a result, suspicious trading behaviour has not been detected so far. The findings obtained constitute the basis for improved monitoring of exchange trading and have now become a part of the daily monitoring activities by the Market Surveillance Office. The study has been forwarded to the exchange supervisory authority, the Saxon Ministry for Economic Affairs and Labour (SMWA).

A further special investigation dealt with the trading behaviour of the market participants in the event of an unscheduled shutdown of nuclear power plants. The impact on the Spot, Intraday and Derivatives Market was looked into. This investigation has shown that the power plant operators concerned have made adjustments in intraday trading and in the Spot Market auction. Unfair use of information was not detected, however.

In daily monitoring, the behaviour displayed by one trading participant appeared suspicious. In the investigation which was carried out subsequently, the trading behaviour of the trading participant concerned was analysed targetedly. This analysis showed several particularities, which gave rise to a further-reaching investigation.

A further special investigation was prepared on behalf of the exchange supervisory authority, SMWA. In this context, the trading behaviour of exchange participants was analysed over several years. The HÜSt involved the exchange supervisory authority according to its legal duties.

On account of the strong increase in the use of Order Routing Systems (ORS) this topic was at the centre of attention in the work of the Market Surveillance over the last months. ORS are also permitted on EEX. An ORS enables the customers of a market participant to trade on the exchange directly without having to become trading participants themselves. The ORS gives the customers the possibility of entering bids and executing transactions independently subject to the trading participant's liability. Due to the fact that, de facto, the licensed trading participant does not have any influence on its customers' activities, a special investigation triggered by a specific cause was carried out regarding the users of the ORS and their activities. This measure aims at ensuring the fulfilment of the requirements under the rules of the exchange by the users of the ORS in collaboration with the trading participants. As an example of this, we can cite the obligation that a cross trade must not be executed without a prior cross request via the ORS. The co-operation with the ORS providers is continued in order to ensure compliance with the rules and regulations on EEX.

Moreover, the settlement prices on the EEX Derivatives Market were compared with available OTC power prices for Germany. This comparison showed few deviations between the OTC Best Order

Stream and the EEX settlement price. The settlement price of EEX predominantly ranged between the OTC best bid and best ask and reflected the expectations of the market.

Over the past months, the US real estate market crisis (subprime crisis) has played a big role in the media and on the market. This banking crisis with global effects has been caused, in particular, by the commitment of institutions in structured real estate products. Many major financial institutions are licensed as trading participants on EEX. This constituted the starting point for an investigation as to whether the crisis also has consequential effects on trading on the exchange. In this context, the open interest was analysed over a period of three years. However, reliable indications for an interaction of the subprime crisis with the EEX markets were not found.

The Market Surveillance Office has investigated the trading activities regarding the underlying of options upon maturity for the second time. In this context, the interaction between the future which corresponds to the underlying security of the option, and the exercised option were at the centre of attention. This investigation will now become a regular element of the daily monitoring tasks of the Market Surveillance Office.

3. Current Developments

Developments within the Regulatory Environment

As a part of the energy market, EEX is very much involved in the development of this market in particular as regards the regulatory perspective or it shapes said market in the framework of its market platform. The exchange council of EEX, in particular, has adopted numerous resolutions aimed at increasing transparency over the last years. The so-called “Transparency Brochure“, which is available for downloading on the internet site of EEX, provides an overview of the measures carried out.

In the past year, the exchange council has established a Compliance Committee and commissioned it to develop rules for the conduct on the market in the form of a code of conduct on the one hand and to prepare a concept for a regulated European energy market platform, which can be used as a model for a uniform European regulation, on the other hand. Since compliance with the code of conduct is monitored by the Market Surveillance Office, we will present the EEX Code of Conduct in detail in the EEX Market Monitor subject to a corresponding resolution by the exchange council.

In addition to this, EEX accompanies the legislative process with advisory opinions. Within the European framework, the latest opinions delivered by EEX were for CESR and ERGEG. In December 2007, the EU Commission asked CESR and ERGEG jointly to deliver an opinion on the need of recording trades (“record keeping“), on reporting obligations towards supervisory authorities and on issues of transparency in gas and power trading.

CESR is the Committee of European Securities Regulators. ERGEG is an association of the European energy regulation authorities (Energy Regulators’ Group for Electricity and Gas). At the moment, the main task of ERGEG is the organisation of border-crossing energy trading in a competitive form by means of the execution of EU directives or the harmonisation of different rules of the individual states. In the framework of the completion of the European single market the EU Commission is investigating a reinforcement of the competences towards a possible European regulation authority for power. The German Federal Network Agency (BNetzA) is the German member of ERGEG.

CESR and ERGEG have held a public hearing on these questions, in which EEX voiced its opinions. We expect the comments by EEX to be made available on the web sites of CESR and ERGEG shortly. A first comment by CESR and ERGEG is expected for the end of May 2008.

Expertise regarding Pricing in Spot Market Auctions

Last year, the exchange supervisory authority, the Saxon Ministry for Economic Affairs and Labour, asked EEX to check its market rules for the power spot auction with a view to competitive pricing and to indicate alternative pricing procedures if applicable. In concert with the exchange supervisory authority the management board of EEX decided to have an external expertise prepared and carried out an invitation to tender on the subject of “Pricing mechanism in the auction procedure for hourly contracts on power on EEX“. The contract was awarded to Prof. Dr. Axel Ockenfels, full professor of Experimental Economic Research at Cologne University.

Prof. Ockenfels presented the essential findings of an expertise on the pricing mechanism to the exchange council of EEX and discussed these. The result of the expertise: The pricing procedure in the uniform auction of EEX is the best feasible procedure for pricing on the spot market for power according to economic findings. Compared with all other pricing procedures discussed, e.g. the pay-as-bid auction, the uniform price auction used by EEX, in particular, has a number of advantages. These include properties such as high transparency, a clear reference price and the same prices for all trading participants. Moreover, the expert confirmed that the procedure is more appropriate for ensuring equal opportunities for all trading participants in the auction process and for restricting the possibilities of exercising market power. Provided there is sufficient competitive behaviour, the unit price auction leads to complete efficiency and to the lowest possible prices on the power market.

The lack of a reference price, on the other hand, reduces the transparency of power trading and increases the likelihood of inefficiencies. Moreover, the lack of a reference price leads to a lack of liquidity on the power market exchange. Incentives for strategic bidding even in competitive power markets and the self-reinforcing incentives for exercising market power tend to have a negative impact on market efficiency.

The expertise is available on the internet site of EEX at www.eex.com in German. An English version will follow soon.

4. The EEX Markets

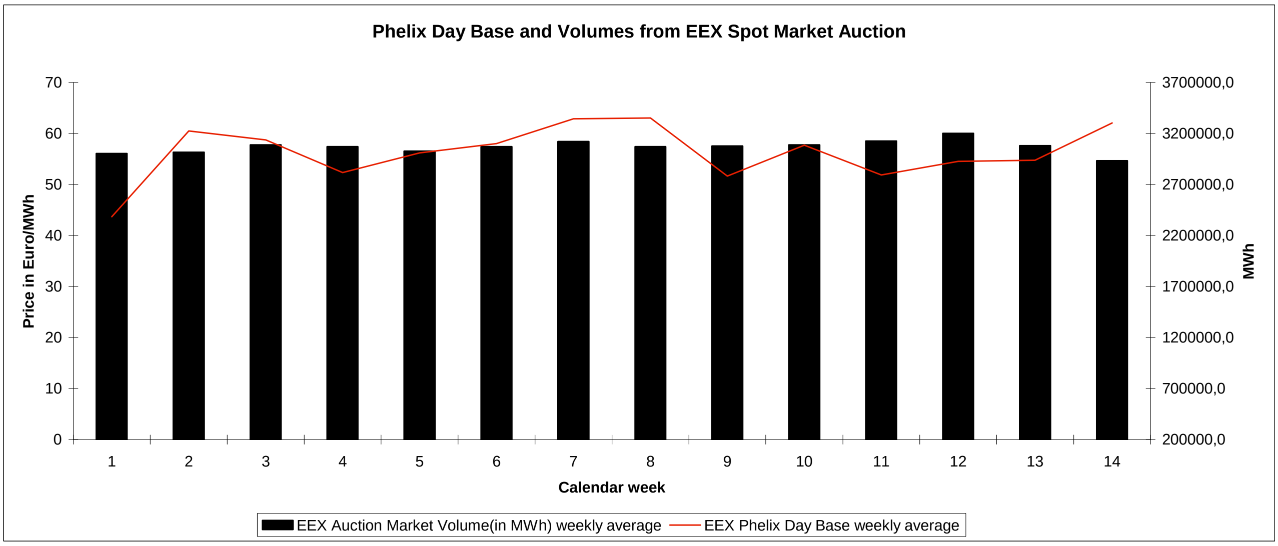
The Market Surveillance Office does not engage in analysts' activities. Neither it not EEX itself comment or evaluate the development of prices on the different markets. Market Surveillance does not prepare any forecast under any circumstances since this is diametrically opposed to its task.

The overview herein below only provides a summary of the development of the markets during the past reporting period. This report is only intended as general information on the events on the markets of EEX for the trading participants and the interested public.

Power

Development of Prices and Volumes on EEX – Spot Market (Power) –

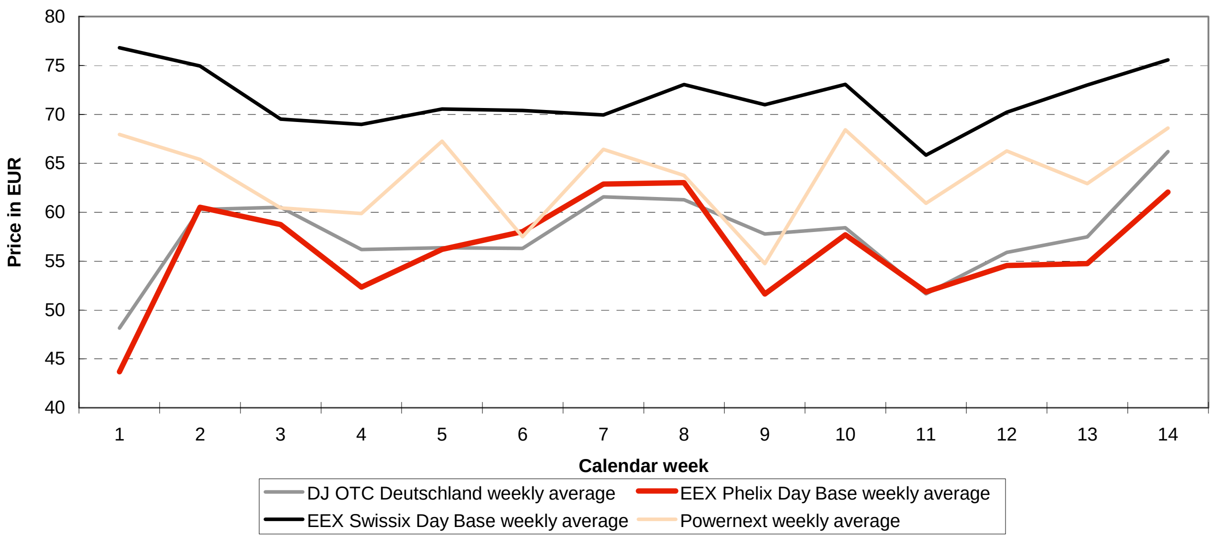
The Phelix Day Base[1] is the reference index for the development of power prices in Germany and Austria.



The weekly volumes during the first quarter of 2008 remained constant at almost 3.1 million MWh. The volume only decreased to approx. 2.9 million MWh during calendar week 14. In the weekly average established during the reporting period, the price of the index increased from approx. EUR 42 to approx. EUR 60.

[1] The EEX Phelix Day Base is the unweighted average of all prices established on EEX in the hourly auctions of one day for the market area of Germany/ Austria.

Phelix Day Base compared with international price developments



The first quarter of 2008 was characterized by volatile prices. The four indices have shown displayed considerable fluctuations with the direction of the price developments frequently being similar while the extent of the fluctuation differed.

Essentially, we can discern that both the Phelix and the Dow Jones OTC prices[2] increased at the beginning of the quarter, while the French[3] and the Swiss[4] prices fell. After that, prices fluctuated sidewards on the respective level. At the end of the period under review, all prices increased.

The OTC price level of Dow Jones roughly corresponds to that of the Phelix, which once again confirms that the EEX prices are in line with the market.

The prices for the Swiss market are much higher than on the German market though the prices on this market display a trend similar to the one on the German market as of calendar week 3. The two indices for the market areas of Germany and Switzerland together constitute the limits for the prices –at approx. EUR 70 in the upper range and at approx. EUR 51 in the lower range. Within this range the prices for the French market area displayed volatile fluctuations. Overall, the French prices tend to take the same direction as the German prices.

During calendar weeks 6 to 8, OTC prices in Germany were approx. EUR 2 lower than the exchange price in Germany and during calendar weeks 12 to 14 we had the reverse situation when the German exchange price was approx. 2 to 5 EUR lower.

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[2] The Dow Jones price is the average of the price range established by Dow Jones by means of a survey.

[3] Powernext Day Ahead is the unweighted average of all prices established on Powernext in the hourly auctions of one day for the market area of France.

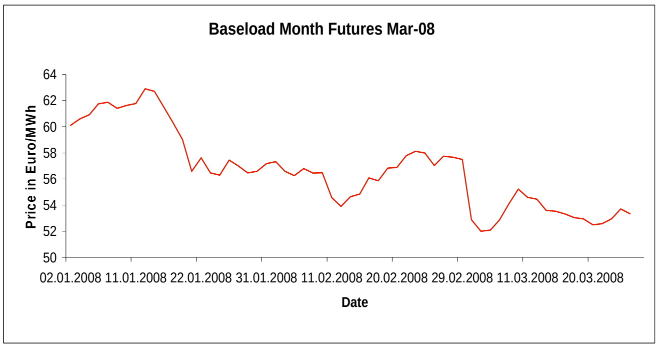
[4] The Swissix Day Base is the unweighted average of all prices established on EEX in the hourly auctions of one day for the market area of Switzerland.

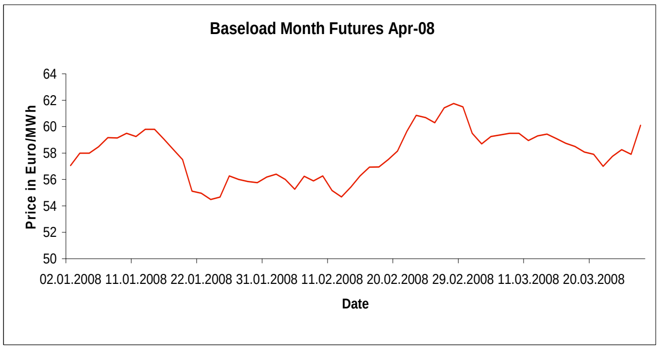
Development of Prices on EEX – Derivatives Market (Power) –

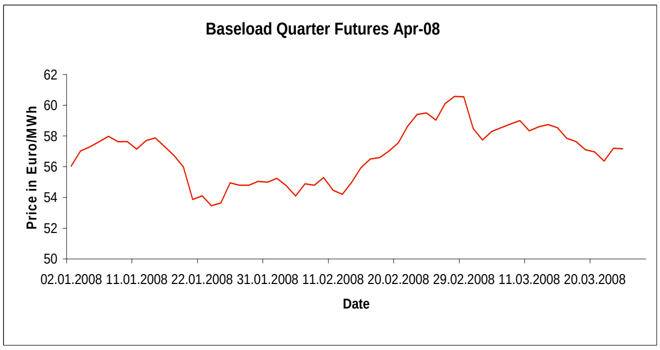
In addition to further contracts, financial derivatives contracts (futures) can be traded on the Derivatives Market. These can be used both for price hedging and for speculative transactions. Futures comprise the right to buy a quantity of a product specified in the future at a specified point in time in the future.

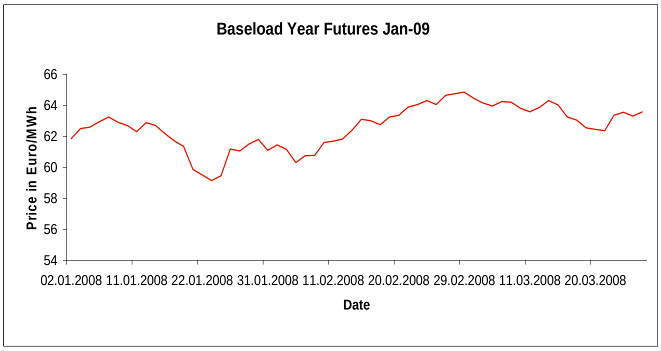
The futures price is characterized by the fact that the contracts display similarities in the course since they are all essentially based on the same expectations. Unlike in the case of futures with long delivery periods, the fluctuations are much more intense in the case of short delivery periods. This development could once again be observed during the first quarter of 2008. The lower three charts display a similar course; however, differences can be discerned in details.

In detail, the prices for futures increased from the beginning to the middle of January. As of 15 Jan. 2008 a downward trend started, which turned into a sidewards movement in the further course. As of 8 Feb. 2008 the prices for the year futures as well as for the month and quarter futures increased after a short downward movement. Said downward movement was much more pronounced in the monthly future March 08; however, the price for this contract also increased again later on. On 28 and 29 Feb. 2008, the highest prices of the first quarter were recorded for the month future April 08, the quarter future April 08 and the year future 09. After this peak, the overall price level fell until the end of the period under review. The comparably strong decline for the month future March 08 after 29 Feb. 2008 followed by a movement in the opposite direction can be discerned particularly well. This clearly shows that short-term products respond more strongly to changes in short-term expectations than products with a longer-term.





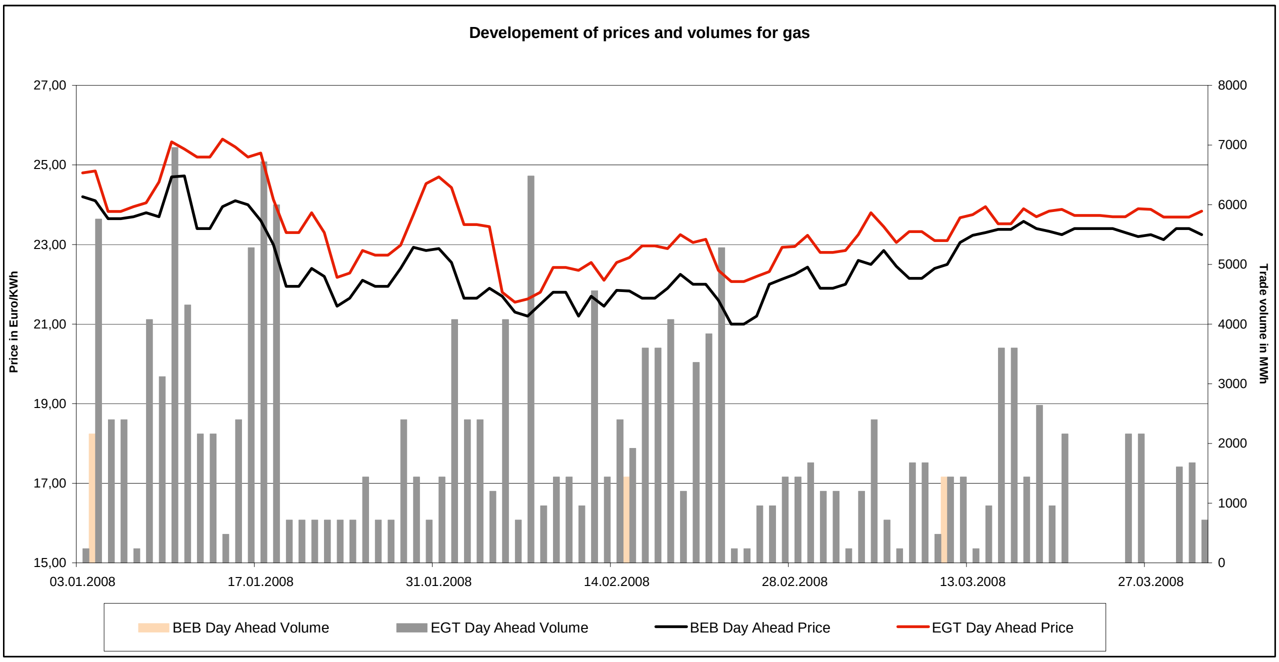




Natural Gas

Development of Prices and Volumes on EEX – Spot Market (Gas) -

Natural gas for the two market areas of EGT and BEB is traded on EEX. In January 2008, the highest trading volume in the EGT area for the period under review was achieved at approx. 7000 MWh. At 2160 MWh the volume in the BEB market area amounted to approx. one third of the EGT volume.



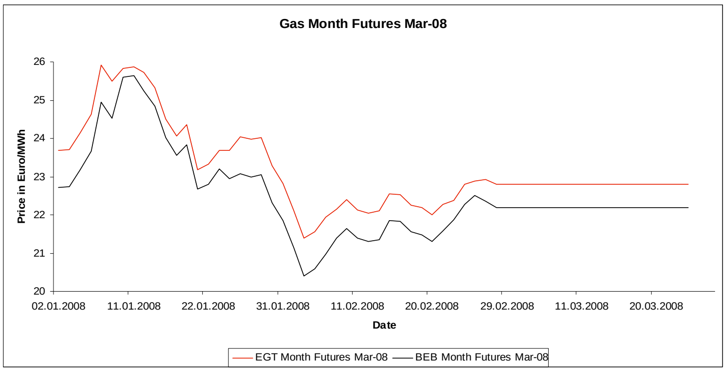
If we consider the development of the prices of the different products of the two market areas, these display similar price fluctuations. During the first quarter of 2008, gas prices on EEX amounted to between EUR 21 per MWh and EUR 26 per MWh.

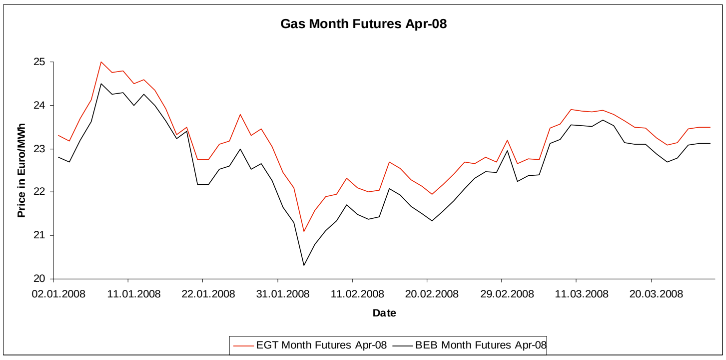
Prices in both market areas were highest in mid-January 2008 and, after that, they fell until the end of January 2008. During this period of time, prices were relatively volatile. In February, gas prices fell to the lowest level during the period under review and, afterwards, they rose continuously until mid-March 2008. In the further course of the period under review, prices displayed a sideward trend with a reduced volatility until the end of March 2008.

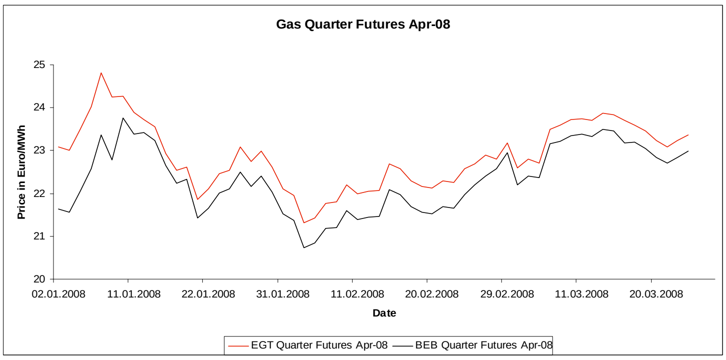
Throughout the period under review, the BEB market area had lower prices than the EGT market area. The biggest price difference arose on 31 January 2008, when the difference amounted to EUR 2 per MWh.

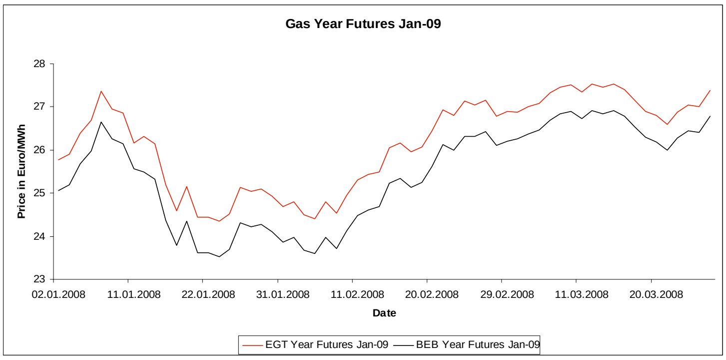
Development of Prices on EEX – Derivatives Market (Gas) –

The Gas Derivatives Market displayed a similar development compared to the Gas Spot Market in particular during January 2008. After a strong increase of the gas prices at the beginning of the month of January 2008 up to the highest level during the period under review, they fell to the lowest level during the first quarter until the beginning of February. After that, the price increased in a continuous band. Following a short downwards movement in the middle of March 2008, prices recovered at the end of the period under review and then remained on the level achieved at the beginning of the year.







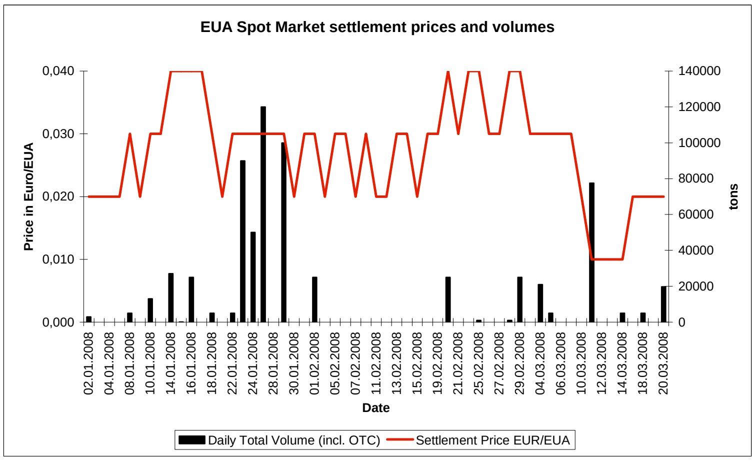


Emission Rights

Development of Prices and Volumes on EEX – Spot Market (EUA) –

The Spot Market for EU emission allowances (EUA) gives plant operators the opportunity of buying or selling emission allowances for the first trading period until 20 Mar. 2008. The deadline for the first trading period (2005 - 2007) expires on 30 Apr. 2008. The exchange council of EEX decided to effect the de-listing as of 20 Mar. 2008. Trading for the second trading period (2008 – 2012) on the Spot Market of EEX will probably not start before June 2008 since the certificates (EUA) have not been issued by the German Emissions Trading Authority (DEHSt.) yet. In order to safeguard the continuity of pricing a CO_2 index will be published by EEX until the start of the second trading period. This index is established on the basis of surveys among selected trading participants.

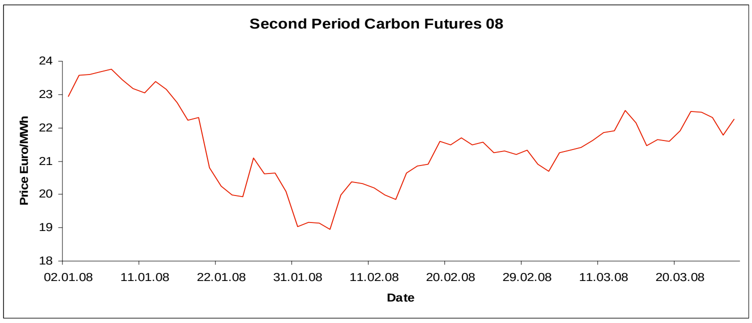
Upon the end of the first trading period, the Carbix could only be determined on few days during the period under review. The presentation of the settlement prices for the EUA Spot Market and of the volumes from continuous trading is intended to provide an overview of the developments on the Spot Market. The price was very low and fluctuated between 2 and 4 Cents during the entire period under review.

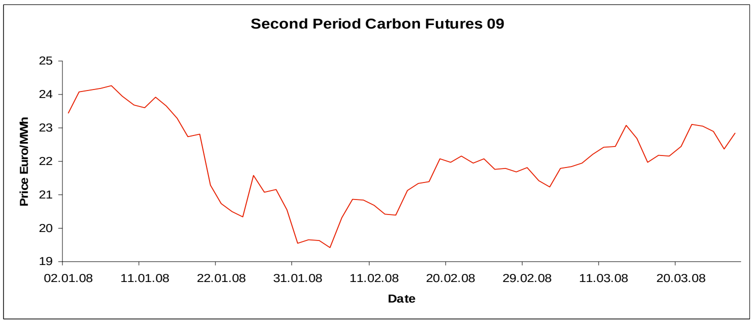


Development of Prices on EEX – Derivatives Market (EUA) -

Futures for EUA of the second trading period (2009-2012) are traded on the EEX Derivatives Market.

The price developments for the Carbon Futures for the calendar years 2008 and 2009 are comparable. After an increase until mid-January 2008, the prices fell to the lowest level during the first quarter of 2008 until the beginning of February. Until the end of March 2008, the volatility and the prices for the Carbon Futures for the calendar years 2008 and 2009 increased. An upward trend has been observed since the first week of February.





5. EEX in the Press

EEX: Considerable increase in trade volumes in 2007 – Increase in volumes on the Spot and Derivatives Market for Power – Successful launch of the gas exchange – Positive development in emissions trading

9. Jan 2008

The European Energy Exchange (EEX) has concluded the year 2007 with an increase in the volumes on both the Spot and Derivatives Market. The trade volume for power increased to 1,273 TWh, which corresponds to an increase by 12 percent compared to the previous year (1,133 TWh).

EEX and Eurex launch CER future

6. Feb 2008

European Energy Exchange AG (EEX) and the derivatives exchange Eurex are expanding their cooperation in CO_2 trading. As of 26 March 2008, it will be possible to trade in futures on CERs (Certified Emission Reductions), global emission credits in accordance with the Kyoto Protocol, on the EEX. To incentivise trading, trading fees (exchange trading and OTC-registry) will be waived for the entire year 2008.

EEX extends gas market activities – Financial investments in trading platforms for trading in network capacities and storage volume

19. Feb 2008

European Energy Exchange AG (EEX), which launched exchange trading in natural gas in July 2007, will acquire an interest of 12 percent in store-x GmbH and of 19 percent in trac-x GmbH. With this step, EEX expands its business fields to the secondary markets for trading in national and international transport and storage capacities.

New daily record – turnover of more than half a million EUAs

27. Feb 2008

On Tuesday, 26 February 2008, a new daily record was achieved in trading of EUA futures on the market for emission rights operated by European Energy Exchange AG (EEX) and Eurex with 600,000 EUAs. The previous daily record was set on 21 February 2008 with 485,000 EUAs. In February, a total of roughly 5 million EUAs has already been traded. Compared to the record month of January 2008 (4,142,000 EUAs) volumes increased by 22 percent.

EEX and Eurex launch options on EUA future

5. Mar 2008

European Energy Exchange (EEX) and the international derivatives exchange Eurex are further expanding their cooperation in CO_2 trading. As of 14 April 2008, options will also be available on the EEX's EUA future. The new EUA options, in addition to the existing EUA future, expire yearly from 2008 to 2012, they will be tradable between 8:30 a.m. and 5:00 p.m. CET. With a volume of 1,096,000 EUAs, EEX and Eurex exceeded the one million mark on the emission rights market they operate, for the first time, on Monday, 3 March 2008. This was far in excess of the previous daily record of 600,000 EUAs set on 26 February 2008.

Bear Stearns 200th direct trading participant of EEX

5. Mar 2008

Today, the European Energy Exchange (EEX) admitted its 200th direct trading participant – the banking house Bear, Stearns International Limited based in London. This means that the number of trading participants on the exchange has increased by 10 since the beginning of the year. Bear, Stearns International Limited was initially licensed to trade on the Derivatives Market.

EEX: Status report on the conversion of the trading system

12. Mar 2008

In its meeting, the exchange council received comprehensive information on the status of the migration of the Spot Market from the current Xetra trading system to a new platform, which is already used for intraday trading today. The conversion of the systems will take place on 28 April 2008 and, as a first step, concerns the hourly auction and continuous trading in power on the Spot Market.

Exchange council adopts rules for the introduction of new products in the framework of the CO2 co-operation

In its meeting of 4 March 2008, the exchange council adopted the rules for the launch of the CER Futures and EUA Options in the framework of the co-operation with the Eurex derivatives exchange. As planned, the CER Futures will be launched on 26 March 2008 and the EUA options will be launched on 14 April 2008.

EEX: Spot Market for Power exceeds 500,000 MWh level

25. Mar 2008

A new trading record was set on the Power Spot Market of the European Energy Exchange (EEX). In the hourly auction, a trading volume of 502,053.9 MWh was sold in the German/ Austrian market area for the delivery day of Monday, 24 March 2008. In total, 121 trading participants contributed to the achievement of this new record level through their trading activities. The trading volumes on the EEX Power Spot Market and the number of trading participants are both increasing continuously. EEX sees this as clear proof of the confidence in the pricing mechanism on the exchange.

The full press releases are available for downloading at www.eex.com.

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