

Mitigating Climate Change through Market Mechanisms



mgmINTERNATIONAL™

MGM International™ the best solution for all your emission reduction needs

Who we are and what we do

MGM International™¹ is a global leader in innovative technical and financial solutions for projects related to climate change mitigation and adaptation. Our multi-disciplinary/multicultural staff brings together the kind of top academic credentials and years of practical experience that make emission reduction projects a reality.

MGM International™ started operations in 2000, and has grown into one of the leading companies in the field of greenhouse gas (GHG) emission reductions, helping clients worldwide identify, develop and monitor GHG emission reduction projects, and commercialize the resulting emission reduction credits.

In 2005, MGM International™ was recognized as “The best CDM/JI Project Developer” by the carbon industry². In December 2006, MGM International™ joined forces with Morgan Stanley. This was the first time that a major Wall Street financial institution partnered with a project developer in the carbon market. This partnership allows MGM International™ to offer clients not only technical and commercialization services, but a broad scope of alternatives in project finance as well.

MGM International™ also provides a variety of related services, including emission offsets (compensating emissions in one place with equivalent reductions elsewhere) and the development of greenhouse gas inventories.

Why we do it

The pace of climate change has accelerated as a direct result of human activities. Unless corrective measures are taken immediately, these changes are likely to become even more rapid and have a devastating impact on the planet.

The Kyoto Protocol

With the above in mind, world governments signed the United Nations Framework Convention on Climate Change (UNFCCC) in 1992 and the Kyoto Protocol in 1997.




¹ Consisting of MGM International Group, LLC., and subsidiaries.

² Point Carbon awards 2005.

Why we do it

The Kyoto Protocol requires industrialized countries - known as Annex I Parties - to reduce their total GHG emissions below 1990 levels during the 2008-2012 period. All Annex I countries, except the USA, have ratified the Kyoto Protocol.

In order to lower the overall costs of achieving emissions targets, the Kyoto Protocol established three innovative “Flexibility Mechanisms”:

-  **Clean Development Mechanism (CDM)** - emission reduction projects located predominantly in countries in the developing world; these projects generate Certified Emission Reductions (CERs).
-  **Joint Implementation (JI)** - emission reduction projects located in Annex I countries; these projects generate Emission Reduction Units (ERUs).
-  **Emissions Trading (ET)** - trading of “surplus” allowances among Annex I countries.

The Voluntary Market

Although the USA has not ratified the Kyoto Protocol, many organizations within the USA have taken a proactive position with respect to climate change measures. This has resulted in the emergence of a Non-Kyoto or Voluntary Market that operates in parallel with the Kyoto Market. Emission reduction credits are known as Verified Emission Reductions (VERs), since they are not related to compliance with the Kyoto Protocol or other regulatory mandates.







There are several reasons why companies or individuals may be interested in purchasing VERs. These purchases may form part of a public relations “going green” marketing campaign, or respond to shareholder or public pressure, or simply reflect a desire to contribute to climate change mitigation. In the USA, companies may also purchase VERs in anticipation of potential future carbon regulations and/or emission limitations.

Climate change is threatening our planet. There are no easy solutions, but we should all play an active role in the search and implementation of sustainable mitigation and adaptation options. MGM International™ is committed to helping you become a part of the solution.

OUR SERVICES

Project identification & development





MGM International™ supports project sponsors throughout the entire project development cycle, by providing the following services:

-  Project identification and feasibility studies
-  Development of baseline and monitoring methodologies
-  Drafting of Project Design Document (PDD)
-  Support throughout validation process
-  Support in obtaining Host and Annex I country approvals (for CDM/JI projects)
-  Support throughout registration process

For more information, please contact: origination@mgminter.com

Commercialization of emission reduction credits

MGM International™ created the MGM Carbon Portfolio™ as a vehicle for the commercialization of emission reduction credits. MGM Carbon Portfolio™ offers the following services:

-  Purchase or brokerage of emission reductions
-  Assistance with drafting of buy-sell contracts
-  Support in transfer of emission reductions into buyers' and sellers' accounts
-  Supervision of project monitoring and status for buyers

For more information, please contact: carbonportfolio@mgminter.com

MGMonitoring ServicesSM

Many carbon market players underestimate the problems involved in appropriately monitoring emission reduction projects and, hence, risk the loss of many if not all of the ensuing emission reductions. MGMonitoring ServicesSM for both project sponsors and buyers include:

-  Development of detailed monitoring plan
 -  Training of project staff
 -  Real-time monitoring of project data and operational conditions
 -  Project performance analysis
 -  Early identification of deviations in emission reductions
 -  Preparation of monitoring reports
 -  Assistance throughout verification process
 -  Help desk
-

MGMonitoring ServicesSM clients have access to MGMonitoring OnlineSM, a software package developed by MGM InternationalTM that allows for real-time response to data entered into the system. The software helps spot discrepancies, provide accurate up-to-date information on project status and share information and project-related documentation with project auditors and verifiers.

For more information, please contact: monitoring@mgminter.com

Greenhouse gas inventories





Greenhouse gas (GHG) inventories are used by organizations to identify and quantify their GHG emissions. This is generally done with the purpose of developing a comprehensive GHG management strategy, including the identification of carbon mitigation opportunities and/or preparations for future regulatory obligations. MGM InternationalTM offers the following services:

-  Identification of GHG emission sources
-  Quantification of GHG emissions
-  Preparation of GHG emissions inventory reports
-  Guidance in development of carbon-neutral strategy

For more information, please contact: ghginventory@mgminter.com

Carbon finance

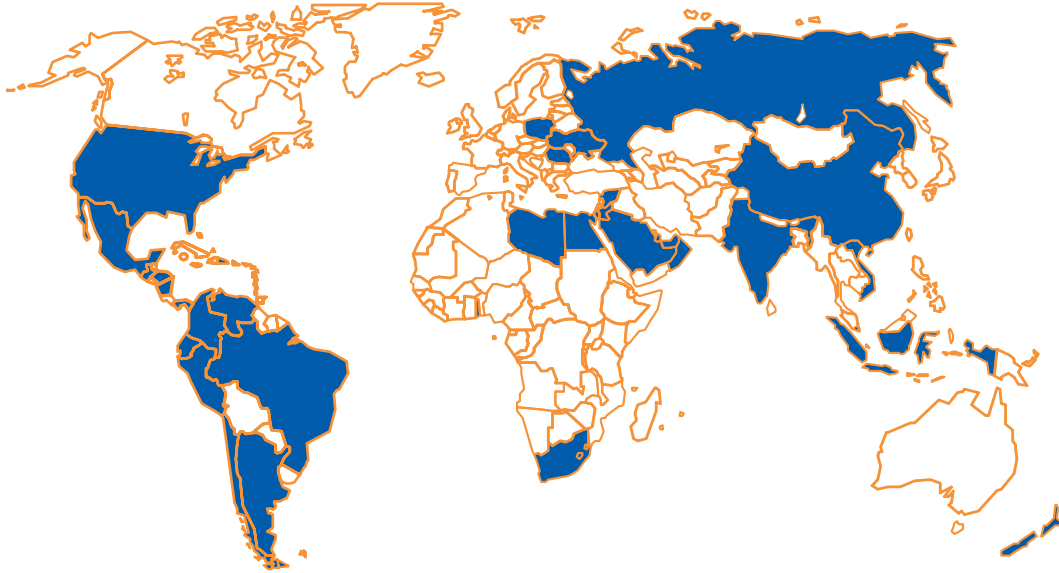
Financial limitations often prevent otherwise excellent projects from becoming a reality. With this in mind, MGM InternationalTM offers an array of options to assist clients in finance their projects:

-  Upfront payments
-  Forward-sales
-  Equity investments
-  Capital sourcing

For more information, please contact: carbonfinance@mgminter.com

OUR PROJECTS

MGM International™ is one of the most experienced carbon project developers in the world, having already identified and/or developed over 400 emission reduction projects in 34 countries around the world.



CARBON DIOXIDE

- ◆ Oil and gas industry*
- ◆ Cement industry*
- ◆ Energy efficiency
- ◆ Waste heat recovery
- ◆ Fuel switching*
- ◆ Cogeneration*
- ◆ Forestry
- ◆ Renewable energy:
 - Hydro power
 - Biomass residues
 - Wind power

METHANE

- ◆ Coal mining
- ◆ Solid waste treatment
- ◆ Compost
- ◆ Landfill gas recovery and use

HYDROFLUOROCARBONS

- ◆ Refrigerant manufacture

PERFLUOROCARBONS

- ◆ Aluminium industry*

NITROUS OXIDE

- ◆ Nitric acid manufacture*

* Methodologies developed by MGM International™

METHODOLOGIES DEVELOPED BY

mgmINTERNATIONAL™

- AM0008** - Industrial fuel switching from coal and petroleum fuels to natural gas without extension of capacity and lifetime of the facility
- AM0014** - Natural gas-based package cogeneration
- AM0030** - PFC emission reductions from anode effect mitigation at primary aluminium smelting facilities
- AM0034** - Catalytic reduction of N₂O inside the ammonia burner of nitric acid plants
- AM0040** - Baseline and monitoring methodology for project activities using alternative raw materials that contain carbonates in clinker manufacturing in cement kilns
- AM0063** - Recovery of CO₂ from tail gas in industrial facilities to substitute the use of fossil fuels for production of CO₂
- ACM003** - Emissions reduction through partial substitution of fossil fuels with alternative fuels or less carbon intensive fuels in cement manufacturing
- ACM009** - Consolidated methodology for industrial fuel switching from coal or petroleum fuels to natural gas

MGM International™ services

-  Project identification & development
-  Commercialization of emission reduction credits
-  MGMonitoring ServicesSM
-  Greenhouse gas inventories
-  Carbon finance

www.mgminter.com

Offices

Argentina +54.11.5219.1230	Brazil +55.11.5102.3844	Chile +56.2.231.7056	China +86.10.8391.4006	Colombia +57.4.326.0584
India +91.11.40532199	Italy* mgmeurope@mgminter.com	Jordan* +962.777.823.554	Mexico +52.55.5553.3800	Norway +47.51.87.40.15
	Ukraine* +38.044.279.2435		USA +1.786.425.9251	

Representatives

Egypt +20.2.520.4515	United Arab Emirates +97.1.50.296.4763
-------------------------	---

* In process