

Hello and welcome to the June 2010 Greenco Newsletter. In this edition we discuss the current state of the carbon market and what may happen in the future.

ETS Applications

As discussed in the last newsletter, the deadline for ETS applications is the end of February. However, as many people found out, even lodging your application before this date does not guarantee it will be processed on time by MAF. In fact, such are the delays by MAF, many applications lodged before the end of February this year are still yet to be processed.

The message from this is to get your ETS application in now, and avoid disappointment.

Carbon Market

Current market

NZ buyers are slow to enter the market, those that are, are bargain hunting. The domestic market here is developing and currently selling cheap, with prices down to as low as \$16.50. While desperate foresters have sold their credits for a discounted price, others are holding on. Internationally the price is rising, but we are not seeing the gains here due to weak Euro¹.

Market beyond 2010

The price is likely to be pushed up as emitters enter the ETS 1 July 2010 and meet obligations May 2011. However, credits from Pre-1990 free allocation may flood the market and is likely to drop the price³. Currently, OMF is selling "across the strip" 2010, 2011 & 2012 credits at around \$20.50².

We are not seeing any differentiation in price due to source of credits ie ETS vs PFSI. This could be due to the market being in its infancy, significantly more ETS units than PFSI units available, and the current focus for NZ emitters on compliance at the least cost.



Greenco Moves to New Office

Greenco has moved to new premises at Unit 7, 212 Antigua St. The PO box and other contact details remain the same.

Greenco Goes International

Forestry Manager, Paul Andrews, is heading over to the Solomon Islands on a 5 week assignment to Kolombangara Forest Products Ltd, an FSC accredited plantation forest. He will be providing technical assistance to the Harvesting & Rooding Division.



Solomon Islands

1 Carbon Market Solutions – Monthly Newsletter Vol 1 Issue 15 – May 2010

2 OMF financial Comment May 2010

3 Pers Comms – Philip Sammons, Westpac Carbon 11/5/10

Did you know...

That Greenco now offers a full range of forestry services beyond carbon management? Our services include establishment of new forests, tending, maintenance and harvesting.

Contact us today for more information.