

**camco**

# Investor Presentation Interim Results 30 June 2010

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# Agenda

- **About Camco**
- Joint Venture – Camco South East Asia
- Financial Overview for the period
- Project Development and Investment
- Carbon Project Development
- Energy and Carbon Advisory
- Outlook



Camco - A global developer of emission reductions and clean energy projects

# About Camco

## Carbon development services

Developing carbon projects in both compliance and voluntary markets

Main focus in China, Africa, Russia, USA and SEA

## Project development & investments

Developing emissions to energy projects

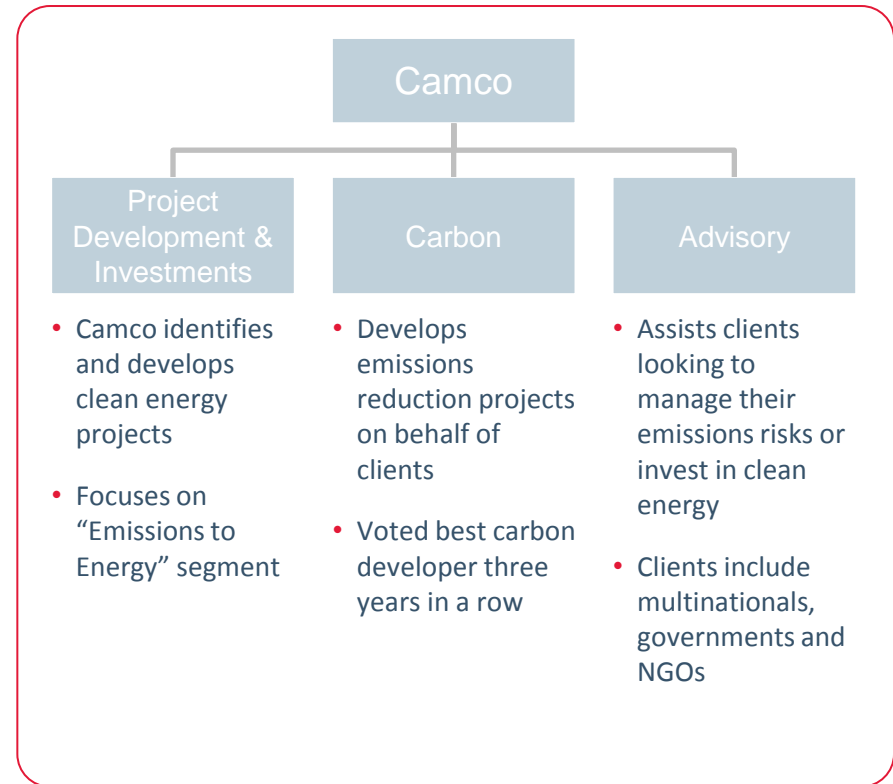
Agricultural methane, industrial energy efficiency, coal mine methane, municipal solid waste, biomass and landfill gas projects

Main focus in the US and China & SE Asia

## Energy and carbon advisory

Combines strategic, commercial and technical expertise

Delivers low carbon energy, sustainable development solutions, software and services





# Where we operate, key activities

## PROJECT DEVELOPMENT

- building a diverse portfolio of projects in industrial energy efficiency, and agricultural methane, funded equity for \$54m projects

## CARBON DEVELOPMENT

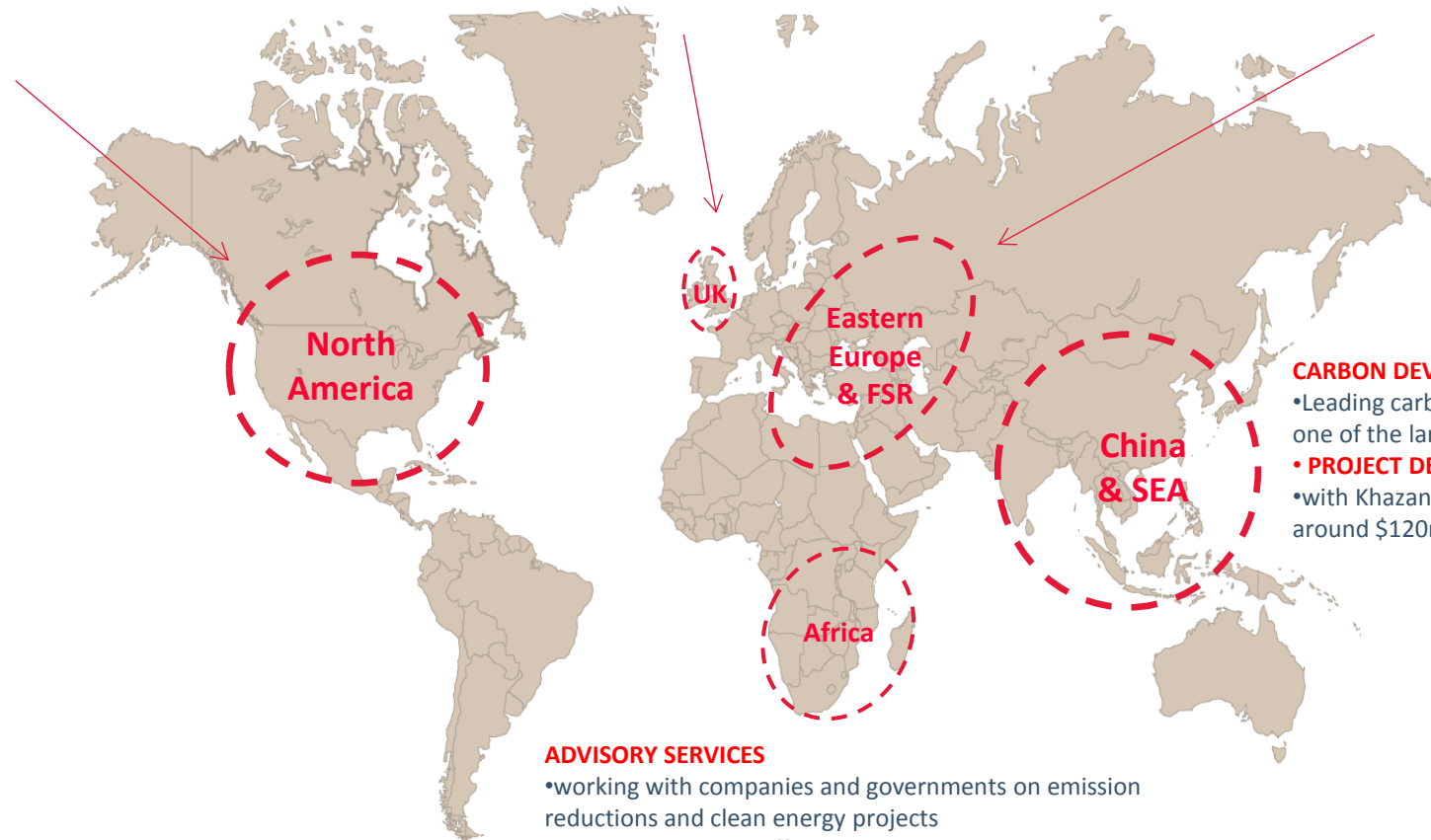
- Focus on developing projects for regional US carbon schemes

## ADVISORY SERVICES

- delivering low carbon energy, sustainable development solutions, and energy efficiency software and services
- Strong presence in 5 offices

## CARBON DEVELOPMENT

- strong presence in Moscow focusing on Russia, FSR and the Middle East
- leading position with approved JI projects



## CARBON DEVELOPMENT

- Leading carbon developer in China & SE Asia, one of the largest portfolios
- **PROJECT DEVELOPMENT**
- with Khazanah JV funded to develop projects of around \$120m, focus on emissions to energy

## ADVISORY SERVICES

- working with companies and governments on emission reductions and clean energy projects
- Strong presence, 3 offices

# Focus of our regions - near term

## CARBON DEVELOPMENT

- Develop and monetise pre-compliance carbon projects

## PROJECT DEVELOPMENT

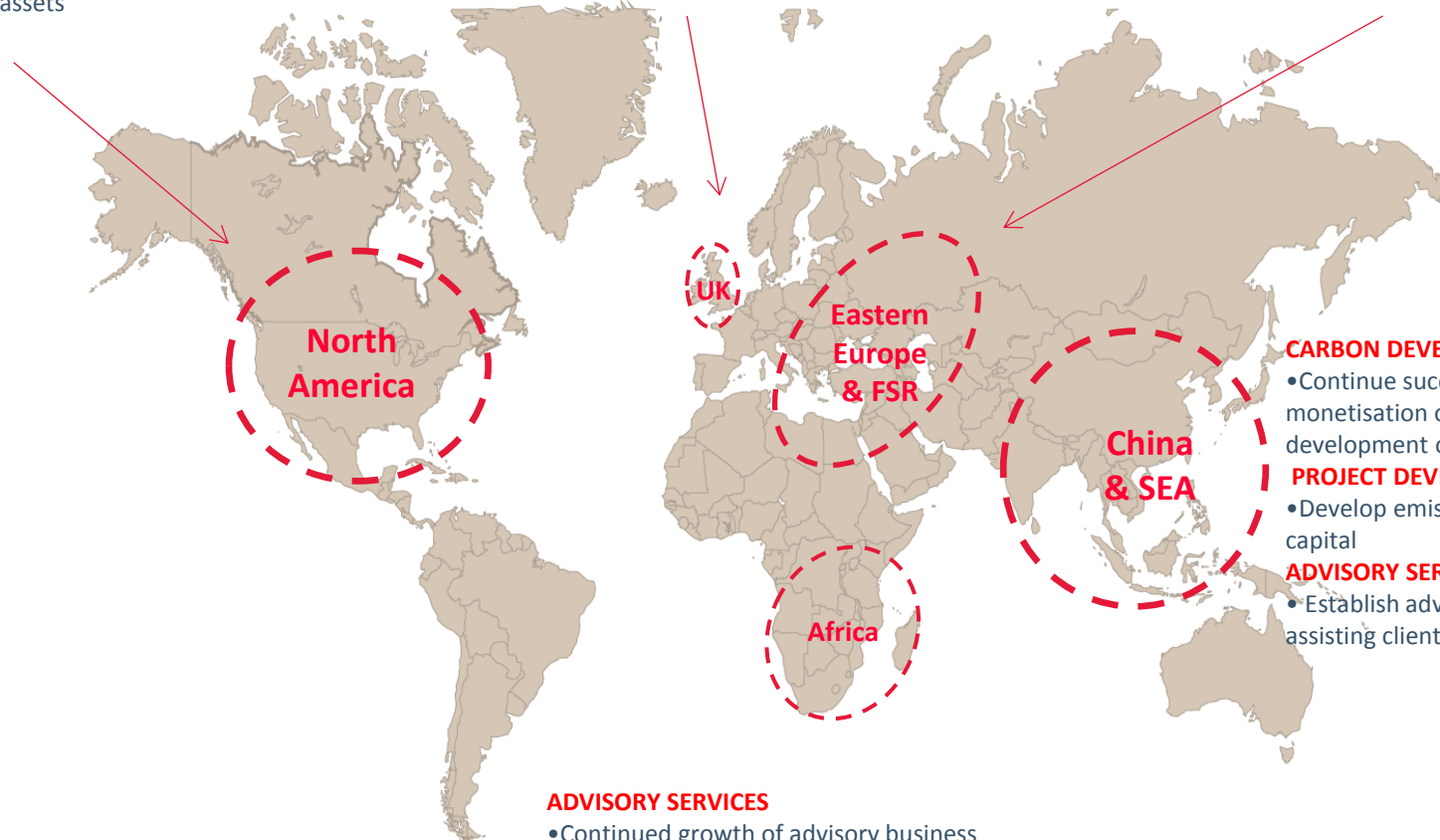
- Develop initial projects in agricultural methane to energy and IEE assets

## ADVISORY SERVICES

- Continued growth in our energy and carbon advisory
- Expanding energy efficiency services from UK base

## CARBON DEVELOPMENT

- Develop existing assets in the region to monetization stage
- Originate and develop new carbon projects



## CARBON DEVELOPMENT

- Continue successful qualification and monetisation of current projects and development of new projects

## PROJECT DEVELOPMENT

- Develop emission to energy projects and place capital

## ADVISORY SERVICES

- Establish advisory services in SEA under JV assisting clients reduce emissions

## ADVISORY SERVICES

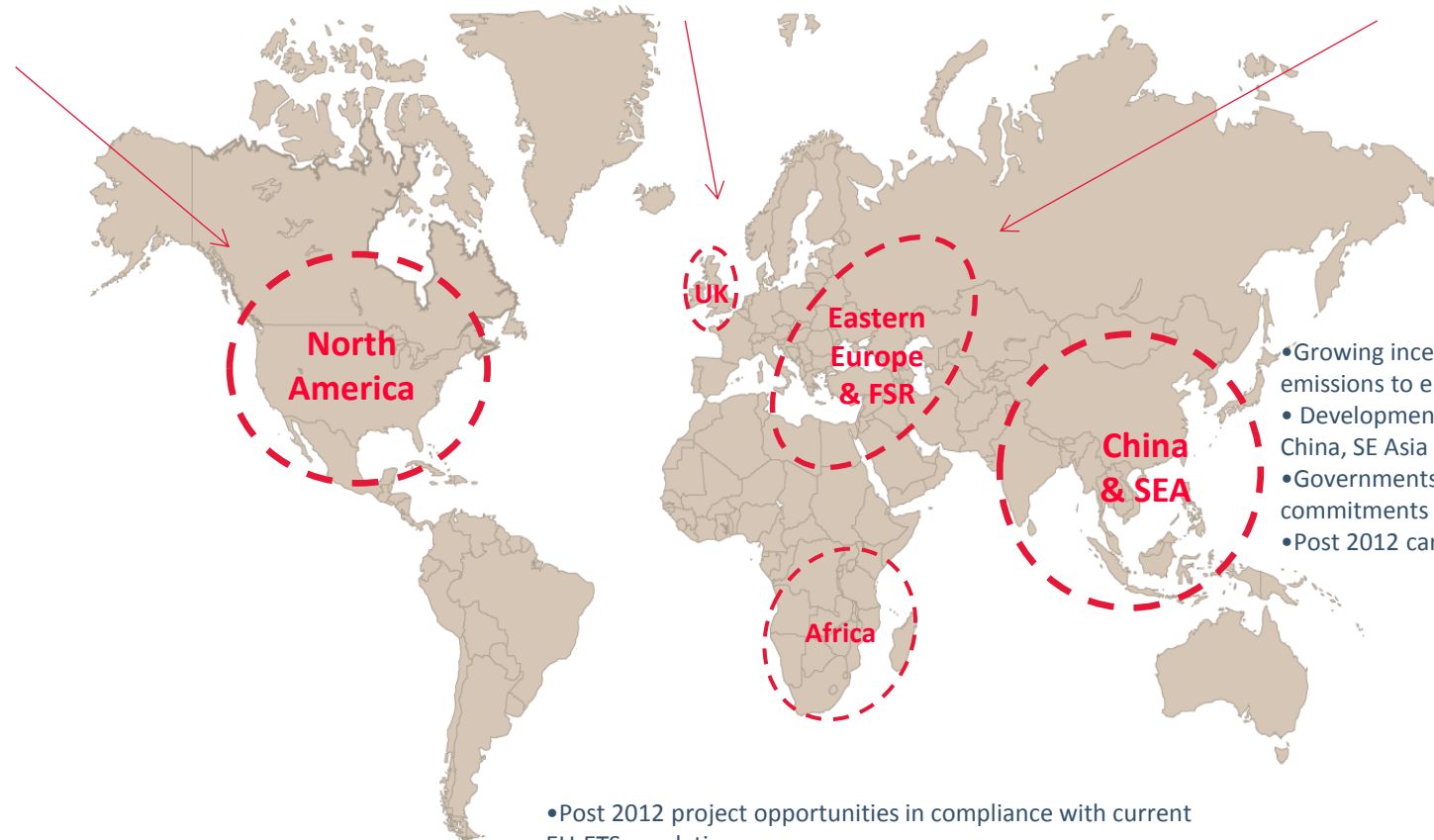
- Continued growth of advisory business
- Expand carbon and project development opportunities

# Policy development across our regions

- Expanding state RPS's
- Growing local state incentives and financing for low emission projects
- Income Tax Credit (ITC) for development
- Development of Internal emission trading markets

- Regulation such as CRC and low emission building schemes creating demand for energy advisory services
- Feed-in-tariff creating clean energy project development opportunities

- Russian government approved first JI projects
- Potential compliance with post 2012 EU-ETS regulation



- Growing incentives in China and SEA for emissions to energy projects
- Development of local trading mechanisms in China, SE Asia and Japan
- Governments across the region taking leading commitments to reduce emissions
- Post 2012 carbon project opportunities

- Post 2012 project opportunities in compliance with current EU-ETS regulations
- Local feed in tariff creating local clean energy markets



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# Joint Venture – Camco South East Asia

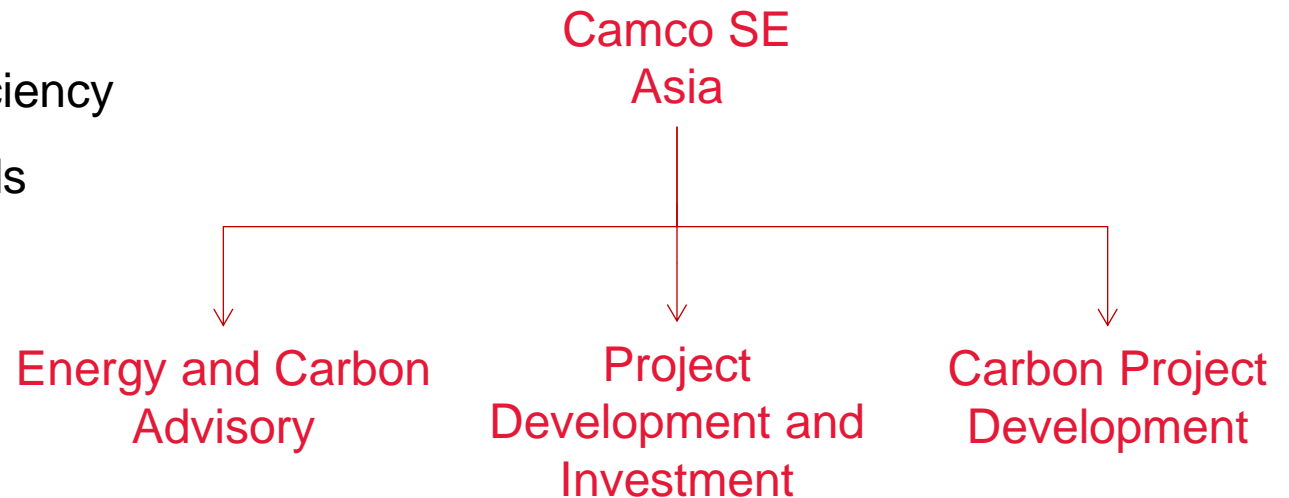
## JV overview

- Joint Venture Between Khazanah Nasional Berhad and Camco
- Khazanah Nasional Berhad is the investment holding arm of the Government of Malaysia with investments in over 50 companies globally
- The JV is capitalised with \$30 million to expand in SE Asia at start
  - **On Inception:**
    - \$14.7m from Khazanah as equity for 39.9%
    - Camco would contribute \$5.1m and current SEA operation
    - Khazanah would further invest \$10.15m as a convertible bond
  - **Fully diluted**
    - Camco would receive a warrant for additional equity in the JV of \$3.7m to reach 50.1% on a fully diluted basis
  - **Additional earn out of up to \$16 million available based on agreed upon milestones**

# Joint Venture – Camco South East Asia

## JV business model

- Carbon- JV will expand its carbon origination activities in SE Asia;
  - current carbon projects in the region will be transferred into the JV
- Investments, sector focus;
  - Biomass
  - Biogas
  - Industrial energy efficiency
- Advisory – fulfil local needs



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# Financial Highlights period ending 30 June

## Camco has achieved profitability for the first half of 2010

- Camco achieved a profit for the first half of 2010 € 0.1 compared to a loss of €18.2 million for the first half of 2009
- Revenue more than doubled to €11 million, up from €5 million for the equivalent period last year
- At 30 June 2010 the Company had a net cash balance of €17.8 million (30 June 2009: €18.3 million) and no significant debt
- Administrative expenses reduced by 10% to €8.7 million

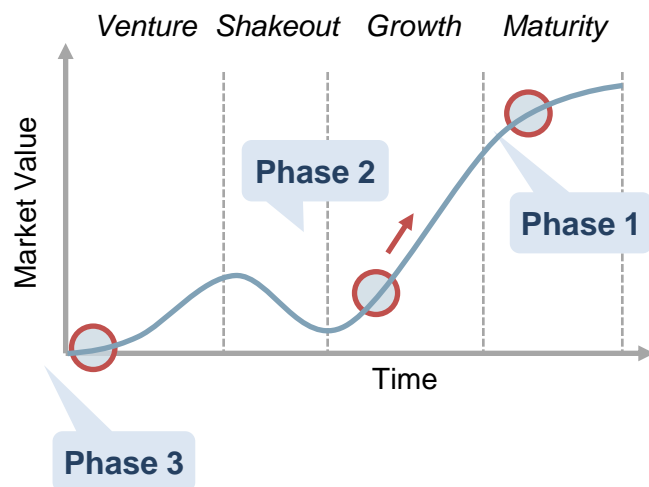
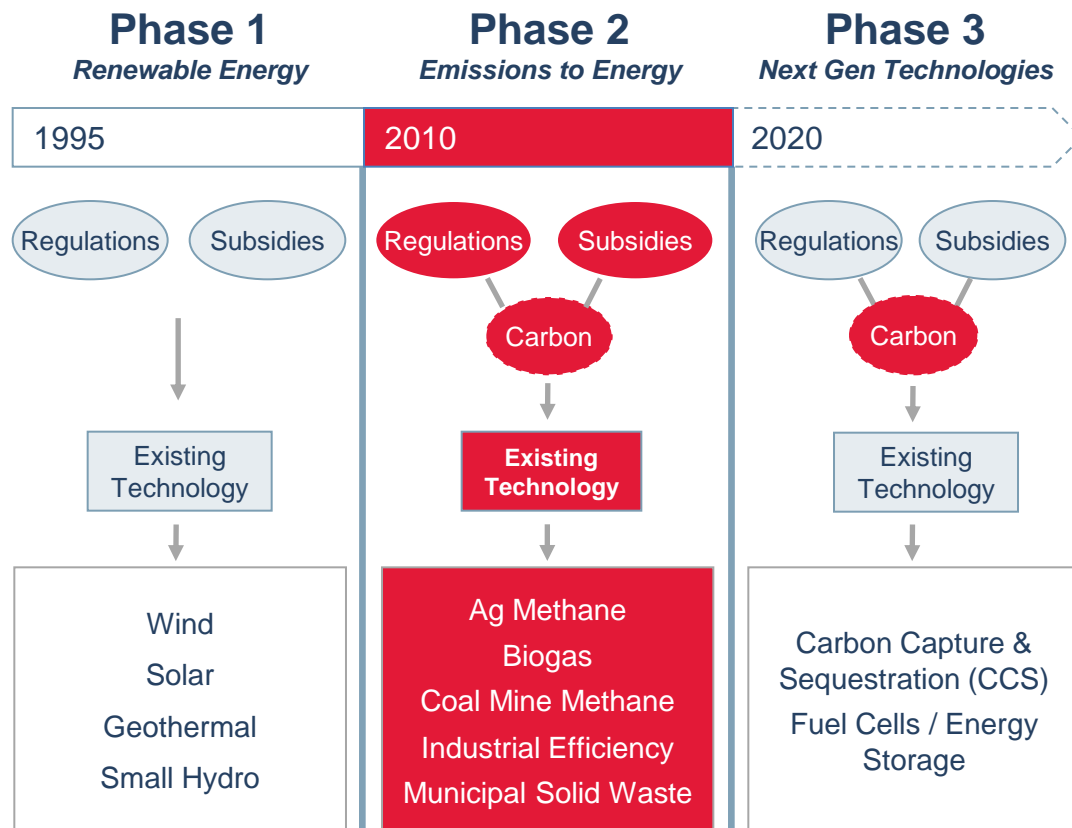


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# Emissions-to-Energy – our focus

## Sector Overview



# Project Development & Investments

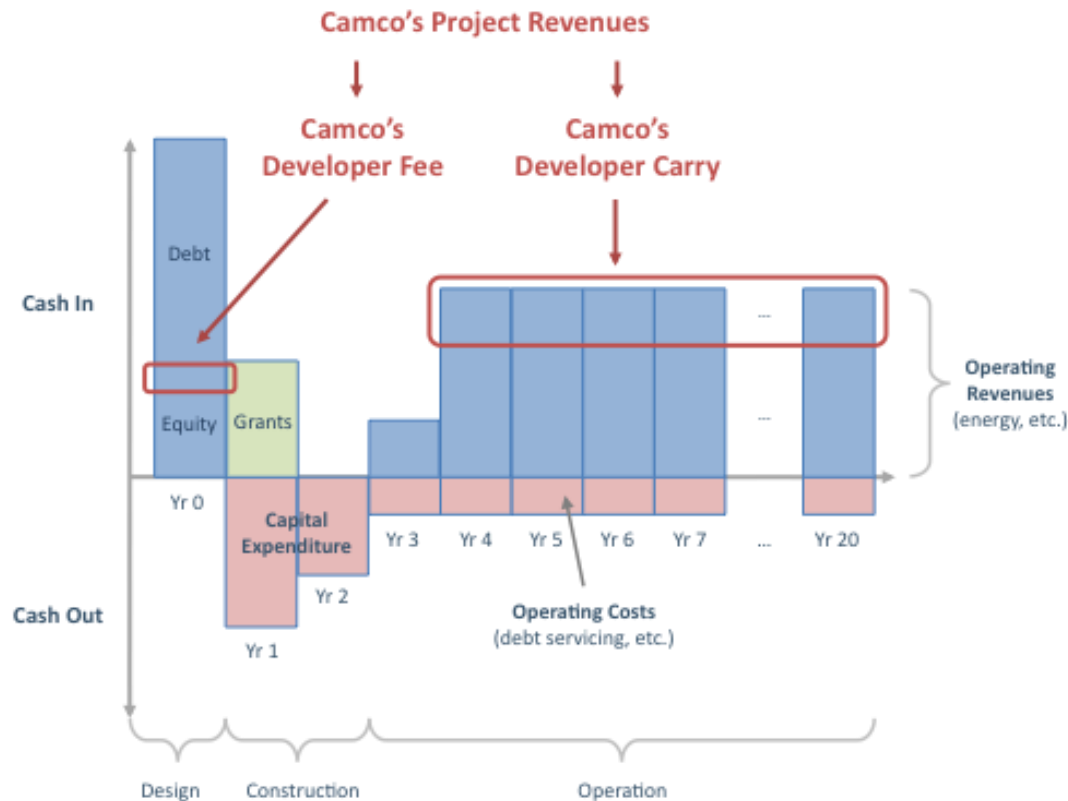
## Business model

### Cost and compensation :

- Financial closing success fee = < 5% of capital cost of project
- 15-30% developer carry
- Industry returns to developer on development costs for successful projects usually ~ IRR 40%

### Key success factors

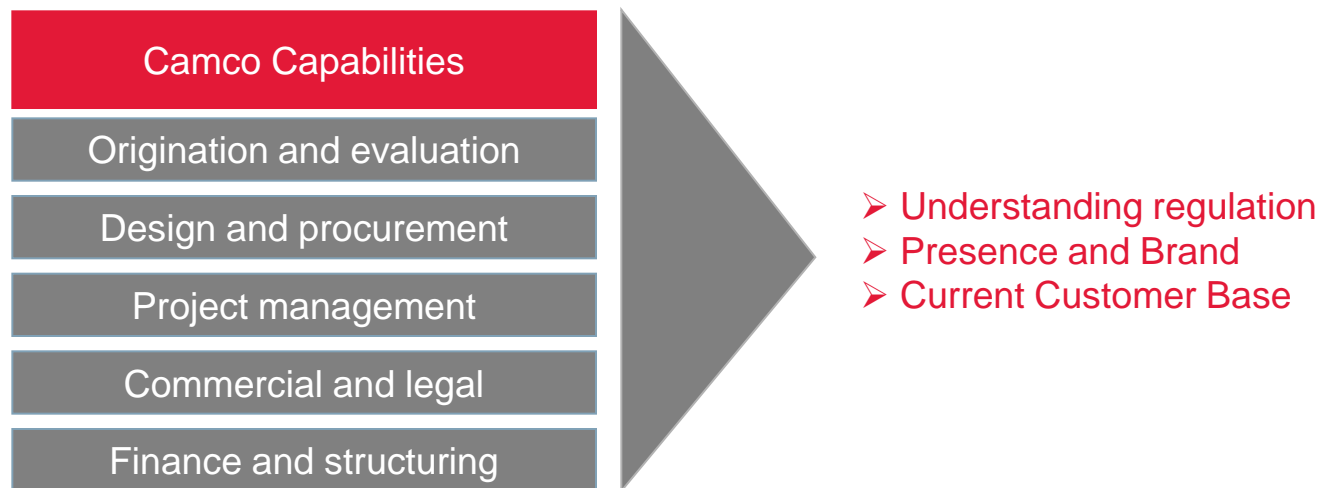
- Secure supply contracts
- Long term off-take (PPA) agreements
- Capital cost management
- Counterparties with strong long-term credit security



# Project development and investment

## Available capital to invest in SE Asia and the US

- Camco SE Asia plans to initially develop emission to energy projects of \$120 million value in the region
  - Growing incentives in the region provide investment opportunities
  - Camco's technical expertise combined with Khazanah's local presence provides a strong partnership
- Camco USA has teamed up with a specialist energy fund to finance an initial portfolio of Agricultural Methane to energy projects worth \$54m



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# Market position and origination capability

## Camco is a global leader in carbon reduction project origination

- In non-industrial gas projects (i.e. excluding HFC, PFC, SF<sub>6</sub> and N<sub>2</sub>O Projects), Camco has the largest portfolio of CERs from active CDM projects in the world
- Awarded Best Carbon Developer 3 years in a row evaluated by peers
- Below statistics sourced through publicly available data



Global (CDM only)		
Developer†	Projects	Million tonnes*
<b>CAMCO</b>	<b>84</b>	<b>105.3</b>
EcoSecurities	239	104.8
Tsinghua	56	57.4
PwC	79	44.0
CWEME	93	42.9
Beijing Tianqing	107	40.8
CRM	81	38.1
MCS	38	33.1
Beijing Ruichi	33	32.8
Ckoramaandel	1	31.4

China (CDM)		
Developer †	Projects	Million tonnes*
<b>CAMCO</b>	<b>74</b>	<b>102.9</b>
EcoSecurities	136	64.6
Tsinghua	56	57.4
CWEME	93	42.9
Beijing Tianqing	107	40.8
CRM	74	36.5
MCS	38	33.1
Beijing Ruichi	33	32.8
Easy Carbon	63	30.0
Econergy	42	27.1

Russia (JI)		
Developer †	Projects	Million tonnes**
ET Gmbh	2	21.6
<b>Camco</b>	<b>24</b>	<b>17.8</b>
NCSF	11	17.4
CTF	4	16.0
Global Carbon	10	16.0
ECF	14	15.2
IBRD	3	8.6
ECOCOM	3	7.0
CCGS	6	3.8
Nippon Oil	1	3.3

\* Total pre-2012 PDD tonnes, excluding HFC, PFC, SF<sub>6</sub> and N<sub>2</sub>O projects

\*\* Total pre-2012 PDD tonnes, excluding HFC, PFC, SF<sub>6</sub>, N<sub>2</sub>O and CH<sub>4</sub> pipeline projects

† Excluding co-developed projects, i.e. only projects where PD is the sole developer

Source: UNEP Risoe, JISC and BVC websites

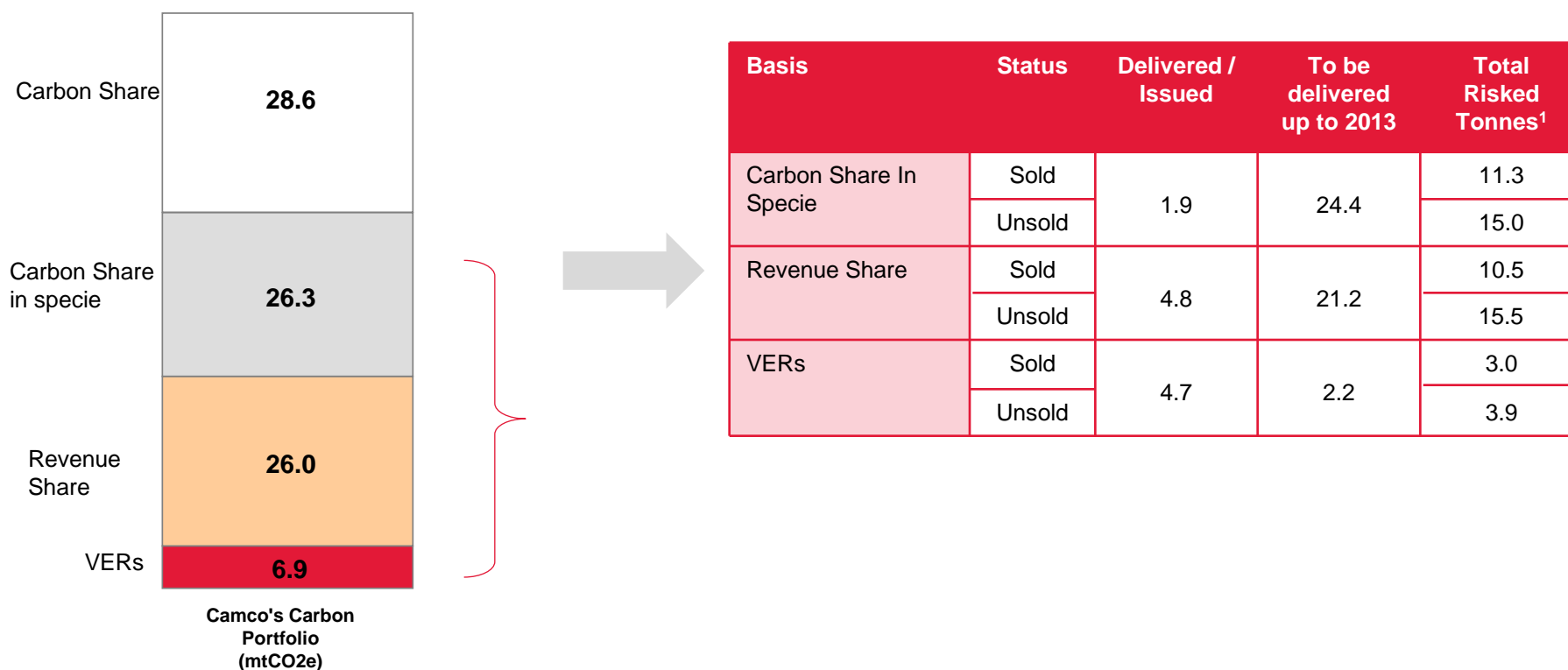
# Carbon Project Development

## Carbon pipeline progressing; an increase in issuance

- First projects to be approved by the Russian government; two large Camco projects approved
- Increase in issuance in the period ending 30 June 4.3 million CERs issued (30 June 2009: 1.0 million tonnes)
- Recent acceleration of UN administration of CDM projects
- Carbon costs reduced by 10.1% compared to same period last year reflecting cost actions taken during 2009

# Carbon credit project management - portfolio

**Camco continues to develop its portfolio and to move projects through the CDM registration process - Portfolio as at 30 June 2010**



\*These amounts will fluctuate as additional tonnes are contracted and conservative write downs occur

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# Energy and carbon advisory

## Advisory services profitable for the first half of 2010

### UK moving firmly into profit

- The Advisory business had €4.7 million in external revenues and a profit of €0.4 million compared to a loss of €1.3 million and €0.3 million for the first and second half of 2009 respectively
- Costs were reduced by €1.1 million (31.7%) compared to the same period last year, reflecting actions taken in the second half of 2009 to restructure the business
- In the period Camco has expanded its industry client portfolio working mainly on energy efficiency, emissions assessment and carbon management projects. Amongst clients are Diageo, BAE, JCB, Siemens, BAA, Next, American Sugar Refinery Inc. and others

### Growing demand in Africa for the advisory services

- Camco South Africa has established itself as a leading carbon advisory – it has won significant contracts with leading industrial local manufacturers
- Camco is currently working on multiple governmental projects in Africa designing feed in tariffs and clean investment strategies; working in Uganda, South Africa and Tanzania



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# Outlook – 2010

Camco is positioned to accelerate its business through the remainder of 2010

## Project Development and Investments

- Expand current JV operations
- Deploy available capital into Emissions to Energy projects in the US and China South East Asia

## Carbon

Develop and monetise existing projects and expand pipe-line of opportunities in China, SE Asia and the US

## Advisory

Continue strong performance, selective sector expansion mainly in the UK, Africa and SE Asia

Camco