

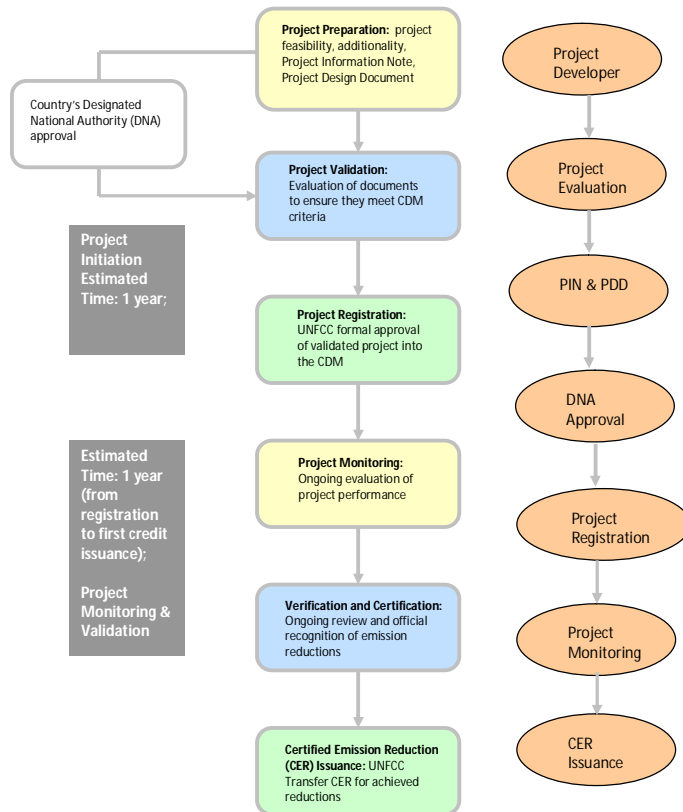


## Clean Development Mechanism (CDM) Projects

## Become Our Partner in CDM Project Development

The way CDM works is that greenhouse gas (GHG) reduction projects are identified by project developers in the developing countries (The Kyoto Protocol non-Annex I countries). These potential projects are evaluated, approved and registered with the UN Framework Convention on Climate Change (UNFCCC). On approval, the projects are displayed on UNFCCC CDM website. The US and EU buyers review the potential GHG reduction project and contact the project developer to negotiate a deal for buying the certified emission reductions (CERs) generated from the project for a 10 year period.

The global GHG reduction based carbon trading market is growing exponentially. The carbon trading was \$11.1 billion in 2005, \$29.6 billion in 2006, \$59.4 billion in 2007, \$94.8 billion in 2008 and is projected to be \$400 billion in 2012.



There is a huge sector to be served related to the GHG reduction goals in the US. Collaboration between Polar Design Studio and your business venture will be highly beneficial in realizing the full financial potential of this emerging market. Your business venture will perform a preliminary screening and identify potential projects at its end and provide project details to Polar Design Studio.

Polar Design Studio will evaluate the project for GHG reduction potential and may request more details to determine project additionality and to compile a baseline emission and projected reduction in the next 10 year.

With your collaboration, Polar Design Studio will develop a preliminary economic analysis providing project development, validation and verification cost and potential earning from carbon offset credits to make the project economically viable.

You will share the preliminary project cost-benefit analysis of the project with other project owners and agree to proceed with the project for CDM registration. You will also obtain a project approval from the Designated National Authority (DNA) of the host country such as a letter of no objection from the Ministry of Environment.

In consultation with you and other project owners, Polar Design Studio will develop 'Project Information/Idea Note' (PIN) for registration with CDM Executive Board of UNFCCC. Polar Design Studio will facilitate project proposal review and upstream due diligence by CDM Board.

If the PIN is acceptable to CDM Board, Polar Design Studio will solicit a US project sponsor to support the project development. An agreement will be developed with the sponsor for investing in the project development and owning the carbon reduction credits for a specified period.

The following steps will be completed for project initiation and commissioning and ongoing monitoring, approval and transfer of CERs:

1. Project identification
2. Project Information Note (PIN)
3. Project Screening and evaluation by CDM
4. Letter of Approval by DNA
5. Project Design Document (PDD)
6. Project Validation and Registration
7. Project development and commissioning
8. Monitoring, Verification and Certification
9. Transfer of emission reduction (CO2 credits)



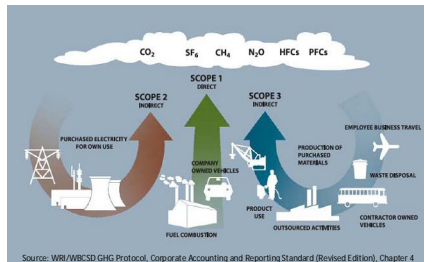


## Our Carbon Trading Services

Carbon trading involves identification of areas to invest in GHG reducing projects across the world and buying the carbon credits generated for use in the USA and other developed countries.

Our CDM project based Certified Emission Reduction (CER) trading include CER aggregation, CER pooling and to help companies cost-effectively meet GHG reduction targets by carbon offset credits from UNFCCC CDM project based CERs. We aggregate CERs from diverse sources, countries, technologies, maximize delivery of CERs from a diversified portfolio and with minimum risks. Our portfolio also includes certified carbon offset credits from other carbon trading mechanisms such as Emission Reduction Units (ERU) from Joint Implementation (JI) and European Trading Scheme (ETS).

We partner with CDM project developers in Asia, Middle East and South America. We invite firms from USA and Europe committed to meet carbon reduction targets to become joint owners in CDM projects. This places organizations in an advantageous position to hedge against CER price volatility, lower risk, assurance in investment decisions and have more control on project performance.



## Potential CDM Project Areas and Project Examples

- Oil and Gas Sector
  - Flare emission reduction
  - Oil and gas transmission emission reduction
  - Oil production well associated gas capture
  - API unit hydrocarbon reduction
- Fertilizer Industry
  - Nitrogen dioxide emission reduction
  - Purge/inert gas methane recovery
  - Ammonia plant CO2 reduction
- Petrochemical Sector
  - Olefins plant off-gas (hexane, Butene-1) recovery
  - Mixed flare reduction
  - Fugitive emission management
- Cement Industry
  - Coal power plant fly ash use in cement kiln
  - Fuel optimization and renewable fuel co-firing
- Energy Efficiency
  - Industrial boiler efficiency improvement & CHP
  - Utility demand side management
  - Commercial sector energy audit and energy efficiency
- Renewable Energy
  - Co-firing of bagasse in sugar industry boilers
  - Bagasse fired power generation
  - Co-firing of biomass in boilers
  - Biomass fired power generation
  - Biogas from bio-digester processed as CNG/NG fuel
  - Biogas fired for power and heat co-generation
  - Wind power generation
  - Wind power smaller grid-tied units
  - Less than 60 MW hydros
  - Grid-tied PV commercial systems
  - Grid-tied PV residential systems
- Waste Management
  - Solid waste management
  - Landfill gas capture and use
  - Waste to energy projects
  - Sewage treatment plant methane capture
- Fuel Switching
  - Fuel switching from mineral coal to natural gas
  - Fly ash and slag use in brick blocks
- Coal mine methane gas capture and use/flaring
- Sulfur Hexafluoride (SF6) Recovery
- Hydro-fluorocarbons Destruction

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