



Competition Authority Clears Acquisition of EcoSecurities by JPMorgan

The Competition Authority has today cleared the proposed acquisition by J. P. Morgan Ventures Energy Corporation ("JPMVEC"), through its newly-created wholly-owned subsidiary Carbon Acquisition Company ("CAC"), of EcoSecurities Group plc ("EcoSecurities"). The Competition Authority came to its decision after completing its review of the transaction, which was notified under the Competition Act 2002 by the parties on 24 September 2009.

Both JPMVEC and EcoSecurities are active internationally in the business of sourcing, developing and trading carbon credits from greenhouse gas emission reduction projects. In the State, however, JPMorgan and EcoSecurities are only active in the business of trading carbon credits earned from their own projects or bought from other suppliers and intermediaries. They have not undertaken any carbon reduction projects in the State.

The Competition Authority has formed the view that the proposed acquisition does not raise competition concerns in the State. The companies have been informed of the decision that the proposed transaction will not lead to a substantial lessening of competition in any markets for goods or services in the State. The proposed transaction may now proceed. A public version of the full text of the reasons for the Authority's decision will be published on the Authority's website (www.tca.ie) by no later than 11 December 2009 after allowing the parties the opportunity to request that confidential information be removed from the published version.

NOTES TO THE EDITOR

Under Part 3 of the Competition Act 2002, certain mergers or acquisitions in the State that satisfy certain financial thresholds and other conditions must be notified to the Competition Authority and may not be put into effect during a prescribed waiting period. The Authority may clear or prohibit the proposed transaction.

Under the Kyoto Protocol, the Clean Development Mechanism (CDM) allows industrialised countries to achieve part of their emission reduction commitments by conducting emission-reducing projects in developing countries and counting the reductions achieved toward their own commitments. To qualify, CDM projects must go through a rigorous public registration and issuance process. CDM projects can earn saleable "carbon emission reduction" credits, each credit is equivalent to one tonne of carbon dioxide (CO₂), which can be traded in "compliance markets" such as the EU Emission Trading Scheme. Projects undertaken outside the CDM framework can earn "Verified Emission Reduction" credits which are not "certified" and are not required under the Kyoto Protocol commitments but which can be traded in so-called "voluntary markets".

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