



PRESS RELEASE

ORBEO partners with GRUPO PIASA to develop a CDM Biomass Cogeneration project in Mexico

Paris - July 12th, 2011 – ORBEO announces today the signature of an Emission Reduction Purchase Agreement (ERPA) with GRUPO PIASA, a private Mexican company, within the framework of the Clean Development Mechanism (CDM⁽¹⁾) of the Kyoto Protocol. The emission reduction project will generate an estimated emission reduction of 572,500 tons CO₂-equivalent over the period 2012-2021.

Founded in 1988 by a group of Coca-Cola bottlers, Grupo Piasa is a Mexican sugar conglomerate. Located in Tres Valles, Veracruz, the project consists in building a new cogeneration unit that will use the bagasse, a by-product of the sugar cane, to produce electricity and heat. The unit will have an installed capacity of about 40 MW.

Under this agreement, Orbeo will manage the project's registration process under the United Nations Framework Convention on Climate Change (UNFCCC), and will purchase part of the pre and post-2012 Certified Emission Reductions (CERs) coming from the project.

On the other hand, Grupo Piasa will supply the cogeneration unit with all bagasse and other sugar cane solid waste on an exclusive basis. Part of the electricity generated by the cogeneration unit will be used for self consumption, and the other part will be exported for other users, most of them shareholders of Grupo Piasa.

Jorge Manuel Veloz, Executive Director of Administration at Grupo Piasa, commented: *"This bagasse cogeneration plant is the first of its type in Mexico to export electricity to the grid, making Grupo Piasa one of the most innovative sugar groups in Mexico. Tres Valles sugar mill sets a milestone for clean energy generation in the sugar industry in Mexico. Grupo Piasa is proud of making this contribution to the production of clean energy in Mexico and for this project that has earned national recognition and the award of Technology Innovation, from CONACYT⁽²⁾. We are pleased to have selected Orbeo to support us in the registration process under the UNFCCC and to provide value to CERs to be produced by the project".*

Laurent Valiergue, Origination Director at Orbeo added: *"Orbeo is glad to support this innovative project that clearly reflects the principle of the CDM framework by providing environmental and social benefits from the project. Orbeo is pleased to collaborate and to form a strong team with Piasa to secure timely and successful registration. Orbeo will provide added value to the project by monetizing the CERs to be produced by it".*



Note:

⁽¹⁾ The Clean Development Mechanism (**CDM**) is one of the "flexibility" mechanisms defined in the Kyoto Protocol (IPCC, 2007). It is defined in Article 12 of the Protocol, and is intended to meet two objectives:

- (1) to assist parties not included in Annex I in achieving sustainable development and in contributing to the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC), which is to prevent dangerous climate change;
- (2) to assist parties included in Annex I in achieving compliance with their quantified emission limitation and reduction commitments (greenhouse gas (GHG) emission caps).

"Annex I" parties are those countries that are listed in Annex I of the treaty, and are the industrialized countries. Non-Annex I parties are developing countries.

Objective (2) is achieved by allowing the Annex I countries to meet part of their caps using "Certified Emission Reductions" (**CERs**) from CDM emission reduction projects in developing countries. This is subject to oversight to ensure that these emission reductions are real and "additional."

The CDM is supervised by the CDM Executive Board (CDM EB) and is under the guidance of the Conference of the Parties (COP/MOP) of the United Nations Framework Convention on Climate Change (UNFCCC).

⁽²⁾ The National Council on Science and Technology (CONACYT) was created by the willingness of the Congress (H. Congreso de la Unión) on December 29th 1970, as a public and decentralized organism of the Public Federal Administration, member of the education sector, with legal personality and with its own endowment. It is also responsible of the elaboration of science and technology policies in Mexico. Since its creation and until 1999, two reforms and one law to coordinate and promote scientific and technologic development were presented, and on June 5th 2002 the new Science and Technology Law was promulgated.

ORBEO

ORBEO, www.orbeo.com, is the joint-venture between Rhodia and Société Générale that combines industrial, environmental and financial expertise dedicated to greenhouse gas emission reductions. From project to market, ORBEO covers the whole carbon value chain. ORBEO is among the leading participants of the CO2 markets and a recognised developer of greenhouse gas emission reduction projects.

ORBEO benefits from an extensive portfolio of high quality emission reduction projects, and a widened geographic presence. Combined with its trading and marketing skills, the company offers its clients a wide range of innovative and diversified products and services. ORBEO is a Financial Institution regulated in France by ACP.

GRUPO PIASA

Grupo PIASA, www.grupopiasa.com, was founded in 1988 by a group of Coca-Cola bottlers, who purchased from the Mexican government the "Ingenio Tres Valles" and "Ingenio Adolfo Lopez Mateos", sugar mills located in the state of Veracruz and Oaxaca. Since that period, and with a major injection of resources, alongside machinery and equipment with highly automated technology, the group possesses a milling capacity of over 3 million and 400 thousand tons of sugar cane and produces more than 400 thousand tones of white sugar, being the most productive and efficient group in the sugar Mexican industry.

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