

January 25, 2001 SO2 and OCT NOx EA Market Price Indices:

SO2 EA MPI UP 20.11%
NOx EA PRICES STILL ON THE RISE

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What are the TradeSpark SO2 and NOx MPIs?

The TradeSpark Market Price Indices (MPIs) are prices that reflect current market conditions for Clean Air Act Title IV SO2 and Ozone Transport Commission NOx emission allowances (EAs). The MPI is an average of the following three numbers (where available) (*Note: fees and commissions are not factored into the MPI*):

- **Recent price** - prices from the most recent transactions (sales, swaps, and options) either executed by TradeSpark and/or reasonably believed by TradeSpark to have occurred. Also note that the MPI does not include transactions that are reported as retirements or facility changes of ownership because such transactions may not be reflective of current market conditions.
- **Lowest offer price** - lowest price, reported to TradeSpark, at which a seller is willing to sell.
- **Highest bid price** - highest price, reported to TradeSpark, at which a buyer is willing to buy.

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or call 1-800-228-2955 ext. 1,2,5

For info on trading NOx OTC Allowances, and SO2 Allowances call (212) 938-4250 and for Greenhouse Gas Credits (212) 938-8700
>\$2 Billion have been transacted by Cantor Fitzgerald in > 24 different air credit markets.

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01/25/01

TradeSpark SO2 Market Price Index and News

TRADESPARK MARKET PRICE INDEX: \$158.97

(Call 212 938-4250 for description)

	<u>Bids *</u>		<u>Offers *</u>		<u>Trades</u>	<u>MPI</u>
Price/Volume	2,500	@ <u>\$158.00</u>	2,500	@ <u>\$163.00</u>	<u>Not listed</u>	
Weighted Average		\$158.00		\$163.00	\$155.92	\$158.97

Bid and offer for vintage 2001 allowances.

Immediate Settlement:

<u>Term</u>	<u>Vintage</u>	<u>Best Prices (\$/Allowance)</u>		<u>Maximum Volume</u>		
		<u>Bid to Buy</u>	<u>Offer to Sell</u>	<u>Bid</u>	<u>Offered</u>	
1 year	2001	\$158.00	\$163.00	2,500	2,500	Allowances
1 year	2002	\$157.61		2,500		Allowances
1 year	2003	\$156.44		2,500		Allowances
1 year	2004	\$154.90		2,500		Allowances
1 year	2005	\$153.40		2,500		Allowances

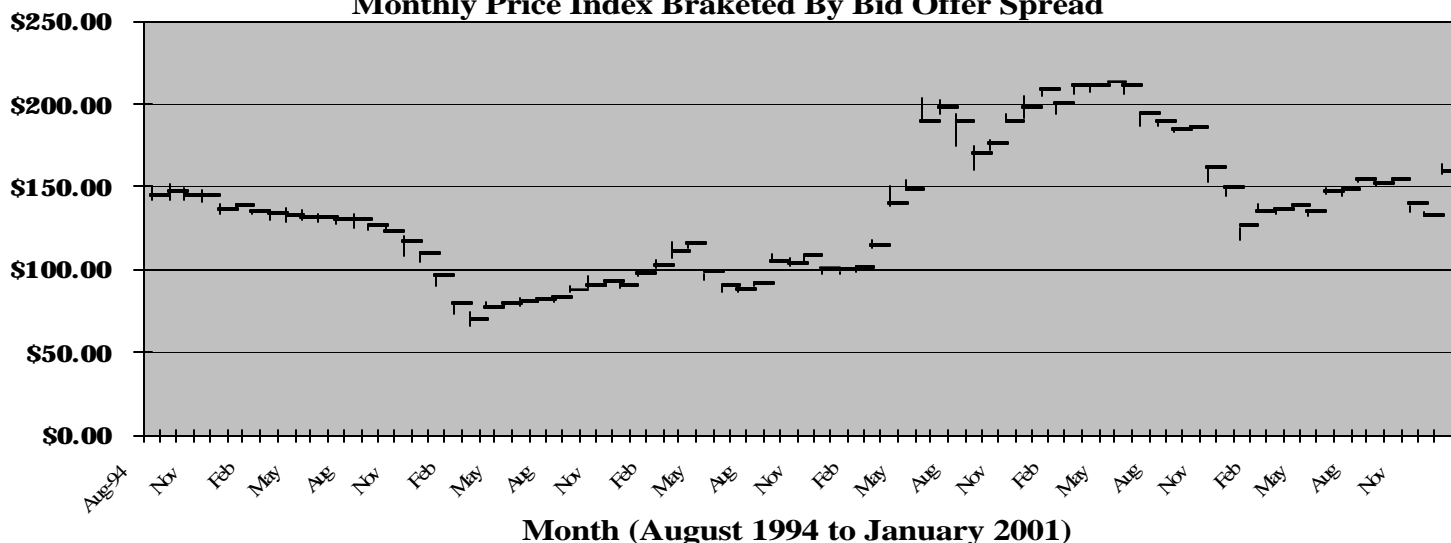
Swaps:

<u>Swap Rates against vintage 2001 allowances</u>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Offer	0.25%	1.00%	2.00%	3.00%

Ratios for base years other than 2001 are available upon request

TradeSpark SO2 MPI (\$/ton)

Monthly Price Index Bracketed By Bid Offer Spread



SO2 EA Market Beat -- The TradeSpark SO2 EA Market Price Index increased by 20.11 % this month to \$158.97 from \$132.35 in December. The SO2 market continued its bullish trend throughout the month of January. Market players attributed the rise in SO2 prices to high natural gas prices, which resulted in higher demand for coal as a cheaper alternative. In addition to that many participants have come to realize that the penalties of the law suit settlements with the EPA would not materialize until 2005 and beyond.

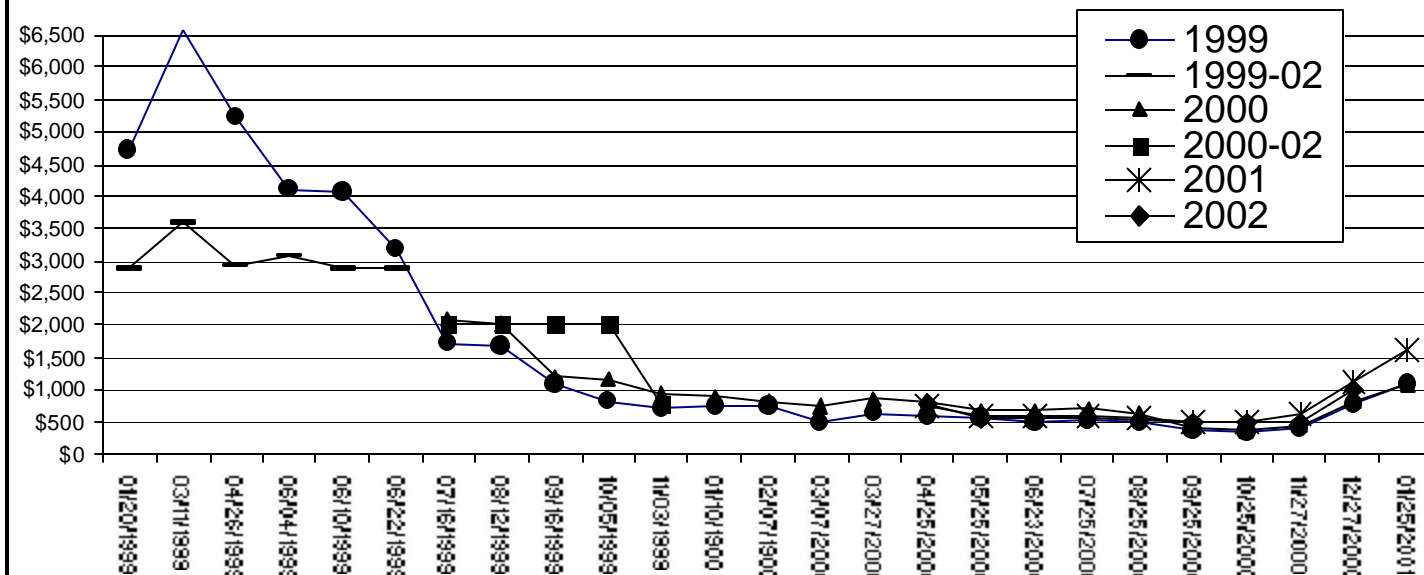
Trading volume has been low during the month of January. The trading range this month was \$144.00 to \$168.00. The last trade went off at \$160.00.

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TradeSpark NOx Market Price Index and News

BEST BIDS TO BUY	1999	50 tons	@	\$1,000/ton
	2000	50 tons	@	\$1,000/ton
	2001	50 tons	@	\$1,500/ton
	2002	50 tons	@	\$1,200/ton
BEST OFFERS TO SELL	1999	50 tons	@	\$1,250/ton
	2000	50 tons	@	\$1,250/ton
	2001	50 tons	@	\$1,800/ton
RECENT TRADE PRICES FOR JANUARY, 2001	v00 for \$1,050/ton		v01 for \$1,650/ton	
	v00 for \$1,100/ton		v01 for \$1,725/ton	
	v01 for \$1,250/ton		v01 for \$1,750/ton	
	v01 for \$1,300/ton		v01 for \$1,550/ton	
MARKET PRICE INDEX	1999	\$1,075/ton	up \$309	
	2000	\$1,075/ton	up \$258	
	2001	\$1,595/ton	up \$479	

NOx Budget Allowance MPI (\$/ton)



OTC NOx Market Beat:

The highest trade we recorded for vintages 99 and 00 this month was \$1,100.00 per ton. We show that vintage 01 traded as high as \$1,750.00 per ton. Surprisingly, few market participants managed to rally NOx prices throughout the month of January. Due to the lack of fundamental reasons responsible for this increase in NOx prices and the ongoing verification of 2000 emissions data for the market by the EPA, many compliance buyers refrained from participating in trading activities.

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As **always** TradeSpark and Cantor Fitzgerald **do not** trade for their own account, all allowances purchased in the auction or traded in the open market are for our clients. It is our policy to keep the identity of our clients and their positions in the market in strict confidence.

Quality Greenhouse Gas Reductions available: Over 20 million Sold or Optioned

Cantor Fitzgerald announces a new electronic-based trading platform for greenhouse gases. CO2e.com LLC ("CO2e.com") is a full service internet-based platform for all of your trading needs -- from 24-hour forward and option market information to project development and risk management strategies to updated news and information services. CO2e.com builds on Cantor Fitzgerald's extensive experience with greenhouse gas brokerage services. We brokered transactions totaling approximately 20MMTCO2e from a variety of reduction sources. (Publicly announced trades range from 100MMTCO2e to 150MMTCO2e.)

Spot Purchases range from \$0.30 - \$0.60 for current and historic vintage years. Forward Purchases range from \$0.30 - \$2.00 per MTCO2e for vintage years between 2001 – 2012. Option prices range from \$0.30 - \$2.50 per MTCO2e for vintage years prior to 2008, with premiums from \$0.10 - \$0.50 per MTCO2e. Option prices range from \$1.00 - \$6.00 per MTCO2e for vintage years between 2008-2012, with premiums from \$0.25 - \$0.50 per MTCO2e.

For more information, please contact a CO2e.com broker. Visit our web site at www.CO2e.com or call us directly. In the United States, call 212-938-8700. In Canada, call 416-350-2177.

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