

UPDATE 23

November 2008

3.8.20 AFMA “November 2008 Australian Carbon Benchmark Addendum” [“Addendum”]

In conjunction with Malleson Stephen Jaques, the AFMA Electricity Committee has developed the Addendum as an equitable method of offsetting windfall gains and losses arising from the impact of carbon on NEM prices post introduction of the Carbon Pollution Reduction Scheme, which is currently scheduled for mid-2010.

AFMA does not recommend using or not using the Addendum and is simply stating that if parties agree that some form of carbon adjustment is appropriate, the Addendum is the AFMA-recommended wording. Individual organisations will need to assess their own risks in using the Addendum. That said, widespread acceptance is needed for the concept, and hence liquidity past 2010, to be effective.