

**Press release
For immediate release
12 March 2010**

Climate Exchange plc

Preliminary results for the year ended 31 December 2009

Climate Exchange plc (the “Group” or the “Company”), the world’s leading exchange for trading emissions and environmental products, announces its preliminary results for the year ended 31 December 2009.

Financial Highlights for the year ended 31 December 2009

- Pro-forma pre-tax profit of £6.8 million (2008: £2.8 million) up 2.4 x
- Revenues from core businesses up 48% to £33.6 million (2008: £22.7 million)
- Core business operating profit of £11.5 million (2008: £6.3 million)
- Cash balances including short term investments £19.2 million at 31 December 2009 compared with £12.4 million at 31 December 2008 and no external borrowings
- Audited IFRS profit before tax £2.2 million (2008: loss of £2.5 million)
- First audited IFRS profit after tax £0.7 million (2008: loss of £2.0 million)

Operational Highlights

- European Climate Exchange (ECX) annual volume increased 82% to 5.1 billion tonnes
- ECX open interest finished the year at 5.4 million tonnes, more than 53% above the previous year
- ECX membership increased to 102 members, despite high levels of consolidation throughout the markets (2008 : 95)
- Chicago Climate Futures Exchange (CCFE) average daily volume increased by 183% to 5,406 contracts in 2009 from 1,907 contracts in 2008

Richard Sandor, Chairman of Climate Exchange plc, said: "Some political momentum is returning with China and India announcing post Copenhagen reduction targets in the last few days. Overall these results are exciting and we have maintained our position as the leading emissions trading exchange".

Neil Eckert, Chief Executive of Climate Exchange plc, said: "We are delighted with these results when put in perspective with the economic and political backdrop. ECX had a wonderful year and with the continuing EU discussion of an anticipated 30% cut by 2020 and particularly the move to 100% auctioning in 2011, shows significant long term growth potential."

--ENDS--

There will be a live audio cast today of our Preliminary Results for the year to 31 December 2009 at 2.00 p.m. GMT/9.00 a.m. EST. Event title 'Climate Exchange plc Preliminary Results Presentation'

To attend the audio cast, please go to our website at www.climateexchange.com and follow instructions at 'Events & Presentations' or direct by going to:

<http://www.investorcalendar.com/IC/CEPage.asp?ID=156116>

To dial into the conference call please use one of the following numbers

UK Access Number + 44 (0)20 7906 8535

UK Toll Free Number 0808 238 7385

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Notes to Editors:

About Climate Exchange plc

Climate Exchange plc is a holding company whose subsidiaries are principally engaged in owning, operating and developing exchanges to facilitate trading in environmental financial instruments including emissions reduction credits in both voluntary and mandatory markets. Its three main businesses are the European Climate Exchange (ECX) which operates the leading derivatives exchange focused on compliance certificates for the mandatory European Emissions Trading Scheme, Chicago Climate Exchange (CCX) which operates a voluntary but contractually binding cap and trade system for greenhouse gas emissions in the U.S., and the Chicago Climate Futures Exchange (CCFE) the leading U.S. regulated environmental products exchange whose contracts include mandatory U.S. emissions such as SO₂, NO_x and RGGI CO₂.

www.climateexchange.com

About European Climate Exchange

The European Climate Exchange (ECX) manages product development and marketing of Carbon Financial Instruments (CFI) futures and options contracts on CO₂ EU allowances (EUAs) traded under the EU Emissions Trading Scheme (EU ETS) and Certified Emission Reductions (CERs) issued under the Kyoto Protocol.

ECX CFI contracts are listed and traded on the ICE Futures electronic platform, offering a central marketplace for emissions trading in Europe with standard contracts and clearing guarantees. ECX/ ICE Futures is the most liquid, exchange for carbon emissions trading. More than 100 businesses have signed up for membership to trade ECX products. In addition, several thousand ICE clients can access the market via banks and brokers.

www.ecx.eu

About Chicago Climate Exchange and Chicago Climate Futures Exchange

Chicago Climate Exchange (CCX) is a financial services business whose objectives are to apply financial innovation and incentives to advance social, environmental and economic goals. CCX is the world's first and North America's only contractually binding rules-based greenhouse gas emissions allowance trading system, as well as the world's only global system for emissions trading based on all six greenhouse gases. CCX members are leaders in greenhouse gas management and represent all sectors of the global economy, as well as public sector innovators. Independent third party verification is provided by FINRA. For a full list of CCX members, daily prices and other Exchange information please see the CCX website.

The Chicago Climate Futures Exchange (CCFE), a wholly owned subsidiary of CCX, is a CFTC designated contract market which offers standardized and cleared futures contracts on emission allowances and other environmental products. Clearing services are provided by The Clearing Corporation.

Market surveillance services are provided by the National Futures Association, the industry wide, self-regulatory organization for the U.S. futures industry.

www.chicagoclimateexchange.com

www.ccfex.com

EXECUTIVE CHAIRMAN'S STATEMENT

I am pleased to report that your Company continued to prosper despite a challenging macroeconomic environment in 2009 and a lack of progress in U.S. emissions legislation. The year began with a global credit crunch still wreaking havoc in financial markets and ended with stalled climate legislation in the United States as well as a failure to reach significant agreement in Copenhagen. Nevertheless, two of the three exchanges we operate showed significant growth in 2009.

European Climate Exchange (ECX) grew strongly in 2009 with an 82% volume increase over 2008. The successful launch of post-2012 contracts suggests strong interest in the European Union Emissions Trading Scheme (EU-ETS) beyond the Kyoto timeframe. ECX has continued both to develop and build liquidity and market share in innovative new products, such as the 2013 futures for Phase III of the EU ETS and the "T+1" spot market instrument.

Chicago Climate Futures Exchange (CCFE) continued its growth in existing products and its innovation of new products. There are several opportunities for us to build attractive markets in the U.S. even if a Federal emissions cap and trade system is delayed. Our strategy included the launch of futures and options contracts based on the California Climate Action Registry (CCAR-CRT) and four renewable energy (REC) futures contracts in 2009. Other regional and state level efforts are gaining interest and participation through programmes such as the current Regional Greenhouse Gas Initiative, the pending Western Climate Initiative and the Midwest Greenhouse Gas Reduction Accord. In our Insurance Futures Exchange Services (IFEX) business we added two new contracts in 2009: Northeast (IFEX-NEW) and Eastern Seaboard (IFEX-ESW) tropical wind contracts. Most importantly, we maintained our market share and leadership position in all our primary markets.

2009 saw the membership emission baseline at Chicago Climate Exchange (CCX) grow, reaching 680 million metric tonnes and making it one-third the size of the EU ETS. However, CCX volumes continued to witness significant declines in 2009 due to the legislative uncertainty which continues today.

On the international front Copenhagen produced an accord among major emitting nations but failed to secure binding commitments. This year will see additional work to produce a successor treaty to the Kyoto Protocol with meetings throughout the year culminating in Mexico in December.

Public Policy Developments

In June of 2009 a comprehensive climate legislation bill was approved by the U.S. House of Representatives. The American Clean Energy and Security Act (ACES), co-sponsored by Congressmen Waxman and Markey, included a national greenhouse gas reduction and trading system with compliance required starting in 2012. In the Senate, progress continues on multiple fronts although the pace is slow. The Senate Environment and Public Works Committee voted in November to approve The Clean Energy Jobs and American Power Act, sponsored by Senators Kerry and Boxer which also incorporates a national cap and trade system . On a separate track, Senator Kerry is currently collaborating with Senators Lieberman and Graham to craft a bill with bipartisan support.

We continue to brief House and Senate staff on the successes that our members have realized through many years of hard work and hands on experience in emissions management. We remain concerned about the political environment for energy and climate legislation and the delays related to the focus on the health care debate.

Regulation

Emissions trading has become widely adopted as greenhouse gas management has moved from the confines of corporate environmental compliance departments into the heart of corporate financial planning. This development has been in response to both strategic need and public scrutiny. Environmental issues are increasingly understood to be part of necessary risk management as investors and analysts are paying closer attention to climate liability and customer expectations make it a critical part of a good business model.

Additionally on the regulatory front, the U.S. Environmental Protection Agency put forward in 2009 a proposed rule to regulate greenhouse gas emissions from businesses that emit 25,000 or more metric tonnes annually.

International Developments

Korea

In June we signed a memorandum of understanding with Korea Power Exchange, Korea Exchange and Korea Energy Management Corporation to collaborate in preparing for the establishment of emissions trading in Korea. Under the agreement we are exploring avenues of cooperation in the establishment of Korean emissions trading and matters relating to the infrastructure for emissions trading.

Australia

In May 2009, the Australian House of Representatives passed The Carbon Pollution Reduction Scheme Bill with the government remaining highly committed to enacting climate legislation. Envex, partly owned by CLE, continues to expand its product offerings with plans to launch a range of exchange traded environmental contracts which, subject to regulatory approvals, will be available for trading via the FEX derivatives platform in Australia.

China

In China, the Tianjin Climate Exchange has begun to implement pilot initiatives that can help pave the way for a strong market-based infrastructure that facilitates the environmental and policy goals of the People's Republic of China. We were delighted to report recently the first transaction in energy efficiency certificates for the City of Tianjin.

In September, we announced the creation of the China-U.S. Low Carbon Finance and Development Research Centre – a partnership between CCX, the People's Bank of China, and the China National Petroleum Corporation Assets Management. The centre, with offices in Chicago and Beijing, will conduct research on the financing of low carbon initiatives, including large-scale demonstrations of market-based methods, for addressing environmental challenges in China and improving energy efficiency.

Outlook for 2010

As climate change policy continues to develop, Climate Exchange plc's leadership position globally means that we are well positioned to capitalize on opportunities as they arise. While 2010 has begun with modest improvements in European volumes, the U.S. markets continue to lag compared to the first half of 2009. We remain cautious but believe several new initiatives are promising. Uncertain times can also provide good opportunities and your Company has demonstrated its ability to capitalize on new opportunities in the past.

Richard L. Sandor
Executive Chairman
12 March 2010

OPERATING AND FINANCIAL REVIEW

The Climate Exchange Group is organised into three core businesses, ECX, CCX and CCFE as well as a portfolio of new business opportunities under development. ECX operates in the largest and most developed of the world's environmental markets and once again, ECX has shown robust growth in 2009. Given the slow pace of political development in North America and the rest of the world, ECX continued to be the core driver of value and cash flow in 2009 and 2010 has started on a positive note. We have seen a substantial improvement in both screen based liquidity and in the trading volumes on our daily futures (spot) contract. The Spot Market was one of our principal competitive threats during 2009 and it is pleasing that during the first two months of 2010, these contract volumes continue to increase.

We expect to see recurring threats of competition from other exchanges such as Green Exchange, EEX and Bluenext and also Clearing platforms such as LCH, however our market share is pleasing to date. On the upside, a major potential plus factor is the move to auctioning of EU ETS allowances in 2011. In our view this could have a very positive impact on volumes.

Our business has been heavily affected by the lack of political progress on climate change legislation in the U.S.. However, we still expect to see U.S. legislation in some shape that will provide us with market opportunities in due course. From an operational perspective, our job is to launch contracts that address all possible outcomes and to make sure that we retain market share. In this mission to date, we have been successful and continue to record growth in CCFE. Over time, we are convinced that there will be more clarity from a political perspective and that the market will attribute value to these efforts in our stock price. The U.S. market is a potential multiplier for the value of our company and we sincerely hope that our work and industry will be rewarded. In the absence of positive political developments, we will be paying acute attention to our cost base with a view to matching it to the potential revenue and growth potential of our market.

CCX volumes continue to dwindle as the trading interests migrate on to CCFE. Interestingly we continue to recruit major new members to CCX. This would suggest that the customers have a diverse set of reasons for joining the exchange that are not limited by the prospects for U.S. legislation. We will continue to review this business in order both to identify and to move towards a higher value operating model for the future. This may include evaluating potential strategic partnerships in the consultancy and carbon reduction business.

In summary, we have strong belief in the potential of our U.S. business and will continue to drive our efforts to ensure that we are in a position to reap our rewards once the course of U.S. environmental markets become clear.

European Climate Exchange (ECX)

2009 was another year of strong growth for the European carbon markets, despite the disappointing lack of progress from the COP15 in Copenhagen. Average daily volumes on ECX exceeded 20 million tonnes of carbon (20,000 contracts) delivering a total of just over 5.1 billion tonnes for the year, an increase of over 80% compared to 2008. It is impressive to note that we are now trading more carbon per week than we did in the whole of 2005, our first year of operation.

In 2009, ECX continued its record of always having traded more in each month than had been traded in the same month in previous years – this record will be increasingly hard to maintain as we move into 2010. The table below sets out the month by month total volumes on ECX in each of the last 5 years.

ECX Aggregate Monthly Trading Volumes 2005-2009 (in contracts of 1000 tonnes CO₂e)

Date	2005	2006	2007	2008	2009
January	n/a	33,931	61,157	171,163	287,977
February	n/a	26,638	62,836	139,873	447,135
March	n/a	22,331	73,829	127,547	539,002
April	370	41,146	59,276	190,643	516,086
May	1,076	53,381	77,713	142,008	431,237
June	6,325	22,553	91,381	295,021	463,749
July	11,090	29,602	126,058	346,302	470,914
August	5,633	27,270	103,119	208,050	283,400
September	17,934	38,212	99,461	264,863	434,478
October	19,877	51,534	107,743	412,352	436,155
November	19,080	65,375	98,405	322,456	438,974
December	12,248	40,951	77,343	189,743	373,151
Total	94,948	452,924	1,038,321	2,810,021	5,122,258

The table above also highlights the particularly high volumes achieved between February and June 2009. Some of this increase was linked to the transfer of trades from the bi-lateral OTC market to the more secure and convenient cleared environment during that credit constrained time. These months also coincided with the period when, due in part to VAT fraud, spot EU ETS volumes on other exchange markets briefly hit significant peaks of activity.

Lastly on volumes, it is worth noting that we saw a growing trend of trading activity taking place directly on the WebICE platform rather than through the broker market. This trend draws in new players to the markets who appreciate the transparency and efficiency of the system and we look forward to this trend continuing during 2010. The brokers continue to form a key sector of our market and it is impressive to see how the more dynamic brokers are reacting to a reduction in intermediated vanilla volumes by offering their services to transact large volume and multi-leg structured trades.

When considering the health of any derivatives market, open interest is as critical as the volumes. Open interest represents the aggregate size of risk positions open at any time, and again the growth on ECX during 2009 was impressive. Year end open interest grew to just under 550 million tonnes (549,000 contracts) up over 50% from the 356 million tonnes at the beginning of the year. The December expiry saw a record 150 million tonnes of EUAs and CERs go to delivery – a new record. The associated Registry systems handled this new peak without undue problems and all settlements were efficiently handled by our clearing partner, ICEClear Europe.

The high volumes achieved during 2009 were on the back of relatively benign pricing conditions. After the huge price shocks on the back of the recession in 2008, 2009 saw the market largely range bound between €10 and €15 per tonne. Whilst these prices may not be where policy makers originally expected them to be, market prices have behaved rationally for the soft demand conditions that existed during the year. It is heartening to note that the EU has resisted calls for any type of floor price in the market. We believe that this position must be maintained – the environmental policy objectives encapsulated by the EU-wide emissions cap are being achieved through the reduction of supply; the price must be left to the free-market forces if the cost reduction benefits that markets can provide to consumers and taxpayers are to be maximised.

ECX launched Daily Futures contracts early in 2009 and these have enjoyed considerable success. The products act as a proxy for spot trading (they are delivered the day after trading) but by structuring them as futures contracts they enjoy the protections of the regulated market. Unlike most comparable products traded in Europe, ECX Daily Futures are subject to full regulatory scrutiny and their inclusion under the London Terminal Markets Order ensures they cannot be involved in the much publicised VAT carousel fraud.

Screen based spread trading increased significantly during the year with tight pricing and large quantities available directly on the WebICE system. Additionally, the EUA/CER swap trading became an integral part of the tools available and saw particularly high activity levels just before the December expiry.

2010 has again started with strong growth – January saw volumes up 45% over 2009. However, for the full year our rate of growth may be lower than in previous years. This is not only because of the lack of wide-scale international agreement (which would have bolstered European trading) but also because of the unique circumstances that created particularly high volumes between February and June of 2009. However, our longer term view is that we have great growth prospects ahead. The three key drivers for this are:

- The ratio of futures volumes to market size is growing but remains relatively low when compared to better developed commodities markets. In simple terms, on a cap of some 2 billion tonnes, we saw derivatives trading of about 5 billion tonnes or 2.5 times the “crop”. In mature markets one might expect a level of 10 or more times the crop and we would expect carbon to converge on levels seen in other commodity markets over the next few years;
- The introduction of auctioning in Europe from 2011 (for phase III of the ETS). This will introduce new risks for the industry groups covered by the ETS and they will almost certainly have much higher hedging requirements leading to higher volumes on our platform; and
- The extension of the ETS to new industry groups (e.g. airlines in 2012) will broaden the base of users and introduce new risks and opportunities.

ECX EUA Futures Contract and Open Interest

Month	ECX EUA FUTURES CONTRACTS			OPEN INTEREST	
	2009	cumulative 2009	cumulative 2008	2009	2008
January	209,118	209,118	126,593	172,206	152,175
February	306,566	515,684	244,086	176,514	147,324
March	440,254	955,938	346,979	217,807	151,578
April	380,112	1,336,050	488,696	251,755	165,720
May	314,711	1,650,761	588,948	270,798	174,678
June	358,319	2,009,080	776,361	309,270	206,372
July	335,135	2,344,215	1,011,710	337,903	213,273
August	203,685	2,547,900	1,148,608	349,142	225,108
September	317,450	2,865,350	1,331,582	369,802,	228,913
October	314,960	3,180,310	1,656,524	390,839	251,802
November	325,490	3,505,800	1,864,763	391,732	258,760
December	272,085	3,777,885	1,991,276	266,474	154,758

ECX EUA Options Contract and Open Interest

Month	ECX EUA OPTIONS CONTRACTS			OPEN INTEREST	
	2009	cumulative 2009	cumulative 2008	2009	2008
January	25,551	25,551	44,570	63,727	49,195
February	49,107	74,658	66,950	96,685	59,965
March	44,642	119,300	83,015	124,615	66,197
April	67,938	187,238	114,285	153,234	84,870
May	50,868	238,106	129,149	159,143	88,625
June	27,300	265,406	163,160	176,899	100,599
July	22,433	287,839	183,355	187,960	107,366
August	25,550	313,389	190,020	202,505	108,155
September	26,300	339,689	205,335	203,372	111,195
October	14,244	353,933	211,870	206,194	112,820

November	36,820	390,753	221,615	215,794	118,161
December	24,814	415,567	243,166	92,608,	45,856

ECX EUA Daily Futures

ECX EUA DAILY FUTURES CONTRACTS		
Month	2009	cumulative 2009
January	n/a	n/a
February	n/a	n/a
March	787	787
April	2,629	3,416
May	2,464	5,880
June	7,614	13,494
July	8,421	21,915
August	4,029	25,944
September	9,024	34,968
October	12,098	47,066
November	7,081	54,147
December	6,353	60,500

* ECX EUA Daily Futures Contract was launched on 13 March 2009

ECX CER Futures Contract and Open Interest

Month	ECX CER FUTURES CONTRACTS			OPEN INTEREST	
	2009	cumulative 2009	cumulative 2008	2009	2008
January	44,008	44,008	n/a	111,772	n/a
February	79,498	123,506	n/a	114,383	n/a
March	50,315	173,821	8,589	110,589	6,082
April	61,263	235,084	26,245	107,364	17,600
May	54,522	289,606	49,387	111,413	29,830
June	55,992	345,598	105,984	115,705	50,965

July	89,154	434,752	190,492	119,804	62,298
August	46,028	480,780	250,029	121,889	71,846
September	76,592	557,372	311,753	124,138	87,541
October	87,523	644,895	377,428	137,103	104,717
November	64,789	709,684	467,700	141,827	112,772
December	62,253	771,937	507,779	129,844	103,541

* ECX CER Futures Contract began trading on 14 March 2008

ECX CER Options Contract and Open Interest

Month	ECX CER OPTIONS CONTRACTS			OPEN INTEREST	
	2009	cumulative 2009	cumulative 2008	2009	2008
January	9,300	9,300	n/a	60,200	n/a
February	11,964	21,264	n/a	62,873	n/a
March	2,815	24,079	n/a	65,142	n/a
April	3,669	27,748	n/a	67,446	n/a
May	8,322	36,070	3,750	68,041	3,750
June	14,400	50,470	20,750	75,104	20,600
July	15,450	65,920	27,000	85,404	26,850
August	4,000	69,920	31,950	89,304	31,750
September	4,910	74,830	36,800	91,764	33,600
October	6,300	81,130	52,000	92,789	44,800
November	3,400	84,530	66,200	92,189	57,950
December	6,600	91,130	67,800	58,491	51,350

* ECX CER Options Contract was launched on 16 May 2008

ECX CER Daily Futures

Month	ECX CER DAILY FUTURES CONTRACTS	
	2009	cumulative 2009
January	n/a	n/a

February	n/a	n/a
March	189	189,000
April	475	664,000
May	350	1,014,000
June	124	1,138
July	321	1,459
August	108	1,567
September	202	1,769
October	1,030	2,799
November	1,394	4,193
December	1,046	5,239

* ECX CER Daily Futures Contract was launched on 13 March 2009

Chicago Climate Exchange (CCX)

With the addition of energy companies Progress Energy and the Public Service Enterprise Group (PSEG), 2009 saw CCX's membership baseline grow to 680 million metric tonnes making it one-third the size of the EU ETS. Total membership declined 7% in 2009 due mostly to departures of smaller members in the participant member category.

Following a robust 2008, CCX trading volumes declined 36% in 2009 to 45.2 million metric tonnes as uncertainty surrounding the potential for U.S. climate legislation in general and the treatment of early action credits in particular depressed prices and hampered trading activity.

In 2009 CCX registered 26.3 million metric tonnes CO₂e, the second highest level of annual registrations since the start of the programme but 16 % below the 2008 level of 31.3 million metric tonnes. Twenty-six new offset providers and aggregators joined CCX last year and five new organisations were approved by CCX to provide verification services for CCX offset project types including: forestry, energy efficiency, renewable energy, landfill methane collection and destruction, coal-mine methane collection and destruction, and agriculture best management practices. Through its member committees, CCX established a new protocol for avoided emissions from organic waste disposal.

Current Trading

Uncertainty around cap and trade legislation and treatment of early action credits will continue to suppress prices of the generic CFI contract and hamper trading activity as a result.

Our current strategy to address the low price of CCX Carbon is to provide more transparency around an unbundled unit by allowing different types of project to trade separately of each other.

By allowing each carbon unit to trade on its own merits rather than contained in a homogenous bundle should allow for more trading activity in order to take account of the different opinions that exist on what legislation will be going forward. This should result in more trading activity based on speculation on what will be included in legislation.

CCX CFI Contracts

Month	CCX CFI CONTRACTS		
	2009	cumulative 2009	cumulative 2008
January	33,494	33,494	13,428
February	77,413	110,907	114,140
March	64,193	175,100	199,632
April	10,907	186,007	272,652
May	50,315	236,322	384,710
June	25,703	262,025	470,258
July	52,496	314,521	518,164
August	12,268	326,789	554,326
September	35,597	362,386	616,310
October	27,220	389,606	649,323
November	47,696	437,302	688,175
December	14,739	452,041	708,305

Chicago Climate Futures Exchange (CCFE)

CCFE continued to make important market advancements in 2009 solidifying its position as the leading environmental derivatives exchange in the U.S. with 99% of the current open interest in U.S. mandatory emissions markets. Overall trading volumes totaled 1,373,029 contracts, a 183% increase over 2008 volumes. Core products SFI and NFI traded 566,514 contracts, a healthy 40% increase despite continued uncertainty around the Clean Air Interstate Rule (CAIR). CCFE saw a significant increase in trading in its carbon complex, with 797,633 contracts registering a volume increase of 1060% from 2008 with particular growth in the RGGI market. Total CCFE open interest at the end of the year reached 100,458 contracts, up 64% from the end of 2008.

Since its launch in August 2008 through to December 2009, the Regional Greenhouse Gas Initiative (RGGI) has auctioned 171,592,906 allowances. CCFE remains the leading market for exchange traded RGGI futures and options with close to 99% of the open interest market share.

CCFE volumes were assisted by the development of a market maker programme designed to enhance liquidity with notable success. As a consequence, revenues per contract fell from \$5.95 to \$3.91. This programme terminates at end the of 2010.

In April, CCFE successfully launched the first futures contracts based on Renewable Energy Certificates (RECs) – a market that has grown significantly and today has open interest of 3,690 contracts as of the end of February. CCFE currently offers compliance REC contracts for New Jersey, Connecticut and Massachusetts as well as a voluntary REC contract.

CCFE also launched a new California Climate Action Registry–Climate Reserve Tonnes (CCAR-CRT) futures contract in February and added vintage-specific products in July.

CCFE prospects for 2010 are dependent on cap and trade legislation being passed, the resolution of CAIR legal challenges and implementation renewable energy legislation. Despite these obstacles we are seeing a base growth level, but expect significant growth to occur once these issues are resolved.

CCFE SFI & NFI Futures & Options Contracts Volume and Open Interest

Month	SFI & NFI Futures & Options			Open Interest	
	2009	cumulative 2009	cumulative 2008	2009	2008
January	38,903	38,903	52,397	35,893	47,634
February	35,334	74,237	92,710	40,648	59,968
March	49,914	124,151	146,520	46,939	64,856
April	76,895	201,046	191,947	75,587	76,027
May	53,982	255,028	238,313	96,819	82,916
June	37,860	292,888	272,107	90,537	70,461
July	45,204	338,092	305,944	78,915	68,594
August	44,118	382,210	318,347	74,093	65,696
September	65,084	447,294	339,637	74,381	61,294
October	42,314	489,608	363,739	80,276	63,291
November	30,654	520,262	376,098	87,009	63,540
December	46,252	566,514	404,164	41,980	33,344

CCFE Carbon Complex Futures & Options Contracts Volume and Open Interest

Month	Carbon Complex Futures & Options			Open Interest	
	2009	cumulative 2009	cumulative 2008	2009	2008
January	12,331	12,331	820	20,502	2,148
February	21,520	33,851	2,763	30,679	2,836
March	40,484	74,335	4,704	36,734	3,357
April	51,064	125,399	6,772	38,188	4,183
May	55,627	181,026	10,537	43,396	5,029
June	137,898	318,924	16,101	43,284	6,836
July	85,103	404,027	22,577	43,909	8,917
August	109,930	513,957	31,128	48,045	11,697
September	139,880	653,837	40,373	56,247	15,317

October	67,016	720,853	49,117	55,713	17,510
November	25,043	745,896	57,111	62,392	21,226
December	51,737	797,633	68,741	50,558	19,454

CCFE Other Products Volume and Open Interest

Month	Other Futures & Options			Open Interest	
	2009	cumulative 2009	cumulative 2008	2009	2008
January	365	365	2,133	8,280	2,988
February	25	390	2,457	8,280	3,126
March	1,126	1,516	2,855	9,256	3,187
April	4,360	5,876	3,004	8,584	3,150
May	115	5,991	3,839	6,545	3,299
June	265	6,256	3,857	6,517	3,297
July	580	6,836	4,597	7,017	3,369
August	102	6,938	5,658	7,019	4,381
September	110	7,048	6,085	7,126	4,485
October	772	7,820	6,238	7,469	4,572
November	850	8,670	7,335	8,008	5,562
December	212	8,882	11,415	7,920	8,552

Membership as at year end

	2009	2008	2007	2006	2005
ECX membership	102	95	80	71	54
CCX membership	436	470	401	238	131
CCFE Trading Privileges	398	385*	247	154	58

CCFE Trading Privileges remaining	27 **	140	11	96	192
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*This number includes 125 trading privileges that were awarded to Trading Privilege Holders (TPHs) who purchased the first 250 TPs (one half of a TP for each of the first 250 TPs sold). As part of the expansion of the TPH Program, an additional 150 TPs were authorized.

** In November 2009, CCFE announced that it was limiting the number of TPs to 425. Therefore, 100 of the additional 150 TPs that were authorized in April 2009 will not be sold.

Insurance Futures Exchange (IFEX)

Another part of the CCFE offering is IFEX. We remain convinced that this business operates in a substantial market, and one in which we can succeed. In particular, the concept of clearing is a potent new sales weapon in the world of insurance. We continue to attract new members and have new accounts opened. The absence of any major hurricanes in the U.S. during 2009 clearly dampened our trading volumes but in spite of this the IFEX user base increased roughly 250% from 2008 to 2009 with a total of over 70 users at the year end.

IFEX added two new contracts to its U.S. Wind Suite, the Eastern Seaboard Wind contract (Georgia to Maine) and the Northeast Wind contract (Virginia to Maine). With these additions, the IFEX market now offers users the ability to hedge regionally against U.S. Catastrophic Wind damage along the hurricane prone Atlantic Basin.

Throughout 2009 IFEX has maintained its position as the market leader and the only provider of a screen based Catastrophe Insurance Contract.

International Developments

In China, the Tianjin Climate Exchange (TCX) has begun to implement pilot initiatives intended to pave the way for a market-based infrastructure that facilitates the environmental and policy goals of the People's Republic of China. On 9 February 2010, TCX completed a pilot transaction of domestic carbon credits derived from energy efficiency improvement. The transaction involved three Tianjin-based heating utilities that had outperformed targets mandated by the Tianjin provincial government selling their surplus credits to two buyers, Citigroup and OAO Gazprom, the largest natural gas company in the world.

In September, we announced the creation of the China-U.S. Low Carbon Finance and Development Research Centre – a partnership between CCX, the People's Bank of China, and the China National Petroleum Corporation Assets Management. The centre, with offices in Chicago and Beijing, will

conduct research on the financing of low carbon initiatives, including large-scale demonstrations of market-based methods, for addressing environmental challenges in China and improving energy efficiency.

In India, we continue to monitor the policy developments at the national level and evaluate opportunities with local partners to establish the India Climate Exchange.

In June, we signed a memorandum of understanding with Korea Power Exchange, Korea Exchange and Korea Energy Management Corporation to collaborate in preparing for the establishment of emissions trading in Korea. Under the agreement we are exploring avenues of cooperation in the establishment of Korean emissions trading.

In May 2009, the Australian House of Representatives passed The Carbon Pollution Reduction Scheme Bill with the government remaining highly committed to enacting climate legislation. Envex, partly owned by CLE, continues to expand its product offerings with plans to launch a range of exchange traded environmental contracts which, subject to regulatory approvals, will be available for trading via the FEX derivatives platform in Australia.

The Montréal Climate Exchange is a joint venture between the Montréal Exchange and the Chicago Climate Exchange. The Canadian government continues to contemplate the most appropriate approach and mechanism by which to address its environmental needs.

Relationships

The growth in volumes traded through our platforms is a direct reflection of the growing importance of emissions trading. We are extremely grateful to our members, users, suppliers and staff all of whom have contributed significantly to the past year. We look forward to continuing our relationship during the coming year.

Financial summary

Financial Highlights for the year ended 31 December 2009

- Pro-forma Group pre-tax profit of £6.8 million (2008: £2.8 million) up 2.4x
- Revenues from core businesses up 48% to £33.6 million (2008: £22.7 million)
- Core Business operating profit £11.5 million (2008: £6.3 million)
- Cash balances of £19.2 million at 31 December 2009 compared with £12.4 million at 31 December 2008
- Audited IFRS profit before tax £2.2 million (2008: loss of £2.5 million)
- First Audited IFRS profit after tax £0.7 million (2008: loss of £2.0 million)

The figures above and in the pro-forma financial summary table below are extracted from unaudited management accounts of the Group. For financial periods prior to 2007, these have been prepared on a pro-forma basis assuming that the Group consolidated 100% of the businesses of both CCX and ECX for the relevant periods. The audited consolidated financial statements of the Group for 2009 and for the 2008 comparative year contained in this document have been prepared in accordance with International Financial Reporting Standards.

The Climate Exchange group of companies comprises three core businesses, ECX, CCX and CCFE as well as a number of geographic investments, new product-based businesses and the ultimate holding company, Climate Exchange plc. The financial performance of these businesses are summarised below.

European Climate Exchange

The ECX business is very largely driven by trading volumes and revenues which almost doubled from £10.8m to £21.4m and have a compound annual growth rate (CAGR) over the five years to 31 December 2009 of 190%. The revenues for the ECX business arise from our revenue sharing agreement with ICE Futures who are entitled to a percentage of the net transaction revenues arising from trading ECX contracts as well as a pro-rata share of the operating expenses of ICE Futures and which, including related expenses, came to 37% of revenues in both 2008 and 2009. ECX trading revenues arise from transaction fees which are either €4 or €5 per contract (depending on the membership status of the counterparties) and which averaged €4.71 in 2009 (2008: €4.84). While small in comparison with trading revenues, it is encouraging to see a 36% increase in membership revenues. As fees per member were held unchanged this is a direct reflection of the growing number of our members.

ECX expenses increased by 76% from £5.9m to £10.4m chiefly as a result of increased revenue share and related expenses which accounts for £7.9 million of this amount (2008: £4.0 million). Expenses other than this volume-related variable item expenses grew by 32%. Other expenses include professional fees and the costs of marketing ECX products.

ECX operating profit increased to £11.4m from £5.2m.

Chicago Climate Exchange

The CCX business is focussed on the development, maintenance and marketing of the world's first voluntary but contractually binding cap and trade system for greenhouse gas emissions. Its revenues arise in the main from three sources:

- trading fees from transactions between members of CCX in Carbon Financial Instruments (CFIs);
- membership fees paid both by new members and annually by continuing members; and
- the fees paid for verified offset registration by qualifying emissions reduction projects and CCX trading revenues fell 31% from £3.5m to £2.4m, CCX membership fell 17% from £3.2m to £2.6m and other revenues fell 11%.

A high proportion of the operating expenses of our two U.S. businesses are shared and allocated between the businesses on a formula basis. In 2009, the allocation methodology was retained so as to be consistent with the presentation for prior years although this is under review as our U.S. businesses evolve. CCX expenses increased by 8% from £7.2m to £7.8m, however in U.S. dollar terms this represents an 8% fall in expenses, as our reporting currency declined by some 15% from 2008 to 2009 using average exchange rates for the periods. A 63% increase in IT costs was partially offset by an 11% reduction in personnel costs. CCX fell from an operating profit of £1.9m to an operating loss of £0.6m.

Chicago Climate Futures Exchange

CCFE is an exchange business model, earning revenues chiefly from transaction volumes and, during its early years, membership revenues arising from the sale of Trading Privileges (TPHs) which are limited in number. In 2009, trading revenues grew 124% from £1.5m to £3.4m, a compound annual growth rate (CAGR) over the three years to 31 December 2009 of 108%. CCFE membership revenues rose 18% from £1.0m to £1.2m over the period, although this is largely a function of exchange rate changes.

CCFE expenses increased by 18% from £3.3m to £3.9m and, as for CCX, given the exchange rate change this amounts to almost no change in expenses in local currency terms. The business made an operating profit of £0.7m, compared with an operating loss of £0.8m in 2008.

Research and Development Activities

In addition to the core businesses, the Group is engaged in a range of investment opportunities, including both new product development and geographic expansion internationally. These investment activities typically incur costs in excess of revenues during their start-up phase and the net cost of all such activities is shown as a Research and Development overhead in the table. During 2009, R&D expense increased by 35% from £1.5m to £2.0m and included the costs associated with our investment in China and other international businesses as well as those of the IFEX business. The IFEX business generated a small revenue, and for this reason, Group revenues are marginally greater than the aggregate core business revenues.

Net Corporate Overhead

The aggregate costs of the parent company Climate Exchange plc are also set out in the table as a Net Corporate Overhead. The expense of certain services provided by Climate Exchange plc are recharged to operating businesses. The net corporate overhead, at £2.7m is 22% greater than the level of £2.2m in 2008. For the Group as a whole, pre-tax profit excluding the non-cash expenses rose 145% to £6.8m from £2.8m.

Our group cash position is 55% higher at £19.2m compared to £12.4m at 31 December 2008.

We are particularly delighted to report our first ever post-tax profit on an IFRS basis. Profit for the year is £0.7m (2008: loss of £2.0m) and this arises after the deduction of the deemed expense of our share based payments of £4.6m (2008: £5.3m). This amount is lower as a consequence of vesting criteria for a substantial number of options not being met in the 2009 performance year. Our expected tax payable including deferred tax is £1.5m which is 69% of IFRS pre-tax profits but 22% of the pro-forma pre-tax result (i.e. excluding share-based payments).

Pro forma financial analysis

In order to set out a comparable summary of the operating performance of the Group's core businesses, the following table of key financial data has been prepared assuming that the Group consolidated 100% of the businesses of both CCX and ECX for the full financial periods to 31 December 2009. These figures have not been audited and do not form part of the audited financial statements of the Group. In particular, they do not include the non-cash accounting costs of share based payments, being the staff share options and certain similar transactions with external third parties.

Pro forma financial analysis

	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Core Business Revenues					
ECX					
Trading Fees	21,411	10,814	3,558	1,479	302
Membership Fees	221	162	187	148	40
Other	166	131	-	83	1
	21,798	11,107	3,745	1,710	343
CCX					
Trading Fees	2,384	3,467	1,120	396	62
Membership Fees	2,647	3,175	2,828	258	174
Other	2,153	2,418	1,789	460	102
Management fee Transfer from ECX	-	-	735	687	683
	7,184	9,060	6,472	1,801	1,021
CCFE					
Trading Fees	3,366	1,501	776	60	1
Membership Fees	1,219	1,030	3,310	979	94
Other	-	-	-	-	-
	4,585	2,531	4,086	1,039	95
Total Core Business Revenues (excluding management fee)	33,567	22,698	13,568	3,863	776
Core Business Operating Expenses					
ECX					
Personnel	1,754	1,122	982	1,036	1,151
Revenue Share and IT	7,972	4,045	1,291	736	414
Other	693	758	501	791	1,161

Management fee Transfer to CCX	-	-	735	687	683
	10,419	5,925	3,509	3,250	3,409
CCX					
Personnel	2,714	3,041	2,091	1,448	1,529
IT	1,650	1,012	537	658	738
Other	3,398	3,123	3,052	1,538	1,257
	7,762	7,176	5,680	3,644	3,524
CCFE					
Personnel	1,132	1,014	697	474	336
IT	1,793	1,696	601	442	381
Other	1,010	612	450	389	356
	3,935	3,322	1,748	1,305	1,073
Total Core Business Operating Expenses (excluding management fee)	22,116	16,423	10,202	7,512	7,323
Core Business Operating Profit					
ECX	11,379	5,182	236	(1,540)	(3,066)
CCX	(578)	1,884	792	(1,843)	(2,503)
CCFE	650	(791)	2,338	(266)	(978)
Total Core Business Operating Profit	11,451	6,275	3,366	(3,649)	(6,547)
R&D overhead	(2,040)	(1,514)	(710)	(986)	(59)
Net Corporate Overhead	(2,738)	(2,240)	(2,317)	(922)	(301)
Net Group Interest	91	236	510	585	395
Group pre-tax result	6,764	2,757	849	(4,972)	(6,512)
Cash and cash equivalents including short term investments at year end	19,212	12,404	13,739	13,569	13,174

Neil Eckert
Chief Executive Officer
12 March 2010

Matthew Whittell
Chief Financial Officer
12 March 2010

Climate Exchange plc

Consolidated Income Statement

For the year ended 31 December 2009

Note		2009 £'000	2008 £'000
2	Revenue	33,607	22,779
	Expenses		
3	Personnel costs:		
	- equity-settled share based payment expense	(1,728)	(3,955)
	- other personnel costs	(7,572)	(6,675)
4	Other expenses:		
	- other expenses	(19,362)	(13,583)
	- equity-settled share based transaction cost	(2,883)	(1,346)
	Total expenses	(31,545)	(25,559)
	Profit/(loss) from operating activities	2,062	(2,780)
	Interest income on bank balances	91	236
	Profit/(loss) before taxation	2,153	(2,544)
6	Taxation	(1,483)	581
	Profit/(loss) for the year	670	(1,963)

14	<u>Basic earnings/(loss) per ordinary share (pence)</u>	<u>1.42</u>	<u>(4.26)</u>
14	<u>Diluted earnings/(loss) per ordinary share (pence)</u>	<u>1.31</u>	<u>(4.26)</u>

The Directors consider that all results derive from the continuing activities.

Climate Exchange plc

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2009

	2009	2008
	£'000	£'000
Profit/(loss) for the year	670	(1,963)
Other comprehensive income		
Foreign currency translation differences	(7,115)	19,284
Total comprehensive income for the year	<u>(6,445)</u>	<u>17,321</u>

Climate Exchange plc

Consolidated Balance Sheet

As at 31 December 2009

Note	Assets	2009 £'000	2008 £'000
	Non-current assets		
8	Intangible assets	58,168	64,454
9	Investments	972	1,908
10	Property, plant and equipment	295	443
6	Deferred tax assets	3,955	4,933
	Total non-current assets	63,390	71,738
	Current assets		
	Cash and cash equivalents	19,212	12,404
11	Trade and other receivables	3,803	3,322
	Total current assets	23,015	15,726
	TOTAL ASSETS	86,405	87,464
	Current liabilities		
12	Trade and other payables	3,818	3,886
6	Income tax liabilities	838	-
	Total liabilities	4,656	3,886

Equity

13	Share capital	476	471
13	Share premium	-	71,617
	Reserves	81,273	11,490
	Total equity	81,749	83,578
	TOTAL EQUITY AND LIABILITIES	86,405	87,464

Climate Exchange plc

Consolidated Statement of Changes in Equity

For the year ended 31 December 2009

	Share capital	Share premium	Shares to be issued reserve	Foreign exchange reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2009	471	71,617	-	14,641	(3,151)	83,578
Total comprehensive income						
Profit for the year	-	-	-	-	670	670
Other comprehensive income						
Foreign currency translation differences	-	-	-	(7,115)	-	(7,115)
Total comprehensive income for the year	-	-	-	(7,115)	670	(6,445)
Contributions by and distributions to owners						
Shares issued	5	-	-	-	-	5
Share option expense	-	-	-	-	4,611	4,611
Cancellation of share premium	-	(71,617)	-	-	71,617	-
Total transactions with owners	5	(71,617)	-	-	76,228	4,616
Balance at 31 December 2009	476	-	-	7,526	73,747	81,749
Balance at 1 January 2008	448	67,192	4,440	(4,643)	(6,489)	60,948
Total comprehensive income						
Loss for the year	-	-	-	-	(1,963)	(1,963)
Other comprehensive income						

Foreign currency translation differences	-	-	-	19,284	-	19,284
Total comprehensive income for the year	-	-	-	19,284	(1,963)	17,321
Contributions by and distributions to owners						
Shares issued	8	-	-	-	-	8
Contingent consideration	15	4,425	(4,440)	-	-	-
Share option expense	-	-	-	-	5,301	5,301
Total transactions with owners	23	4,425	(4,440)	-	5,301	5,309
Balance at 31 December 2008	471	71,617	-	14,641	(3,151)	83,578

Climate Exchange plc

Consolidated Statement of Cash flows

For the year ended 31 December 2009

	2009	2008
	£'000	£'000
Cash flows from operating activities		
Profit/ (loss) before taxation	2,153	(2,544)
Depreciation	188	140
Goodwill impairment loss	-	99
Equity - settled share based payment expense	4,611	5,301
	<hr/>	<hr/>
Operating cash flows before movements in working capital	6,952	2,996
Changes in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	512	(657)
Increase/(decrease) in trade and other payables	194	(4,264)
	<hr/>	<hr/>
	7,658	(1,925)
Taxation paid	(7)	(114)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	7,651	(2,039)
Cash flows from investing activities		
Investment in associate	-	(1,908)
Proceeds from sale of investment securities	-	1,044
Purchase of property, plant and equipment	(60)	(100)
Cash of subsidiary acquired	-	33
	<hr/>	<hr/>
Cash outflow from investing activities	(60)	(931)

Cash flow from financing activities		
Proceeds from issue of shares	5	-
Cash generated from financing activities	5	-
Increase/(decrease) in cash and cash equivalents	7,596	(2,970)
Cash and cash equivalents at beginning of year	12,404	12,695
Foreign exchange movement on cash and cash equivalents	(788)	2,679
Cash and cash equivalents at end of the year	19,212	12,404

Climate Exchange plc

Notes to the financial statements For the year ended 31 December 2009

1 Operations

The Company was incorporated on 13 August 2003 in the Isle of Man as a public limited company. The Company's ordinary shares are listed on the Alternative Investment Market of the London Stock Exchange ("AIM").

The consolidated financial statements comprise the results of the Company and its subsidiaries (together referred to as the "Group").

The Group is principally engaged in owning, operating, and developing exchanges to facilitate trading in environmental financial instruments including emissions reductions credits in both voluntary and mandatory markets. The three core businesses are the European Climate Exchange (ECX) which operates an exchange that focuses on compliance certificates for mandatory European Emissions Trading Scheme (EU ETS), the Chicago Climate Futures Exchange (CCFE), a regulated exchange in the U.S. with a growing portfolio of environmental futures contracts and the Chicago Climate Exchange (CCX) which operates the world's first voluntary, but contractually binding cap and trade system for greenhouse gas emissions reductions.

As at 31 December 2009 the Group had 67 employees. (2008:64)

2 Revenue

	2009	2008
	£'000	£'000
Membership fee income	4,088	4,366
Transaction fee income	27,203	15,772
Registration fee income	1,923	2,329
Grant income	120	2
Other	273	310
	<u>33,607</u>	<u>22,779</u>

Membership fee income includes sale of Trading Privileges by CCFE, which are limited in number.

3 Personnel expenses

	2009	2008
	£'000	£'000
Wages and salaries	4,540	3,733
Directors' fees and emoluments	1,799	1,760
Compulsory social security contributions	570	532
Contributions to defined contributions plans	663	650
Equity-settled share-based payment expenses	1,728	3,955
	9,300	10,630

Climate Exchange plc

Notes to the financial statements (continued)

For the year ended 31 December 2009

4 Other expenses

	2009	2008
	£'000	£'000
Auditors' fees	123	123
Administration fees	180	154
Depreciation	188	140
Marketing fees	728	531
Occupancy fees	670	537
Directors' insurance costs	52	37
Travel expenses	1,229	1,167
Professional fees	2,663	2,759
Information technology costs	3,606	2,842
Revenue share and related expenses	7,897	3,953
Other expenses	911	375
Goodwill impairment loss	-	99

Research and development costs	1,115	866
Equity-settled share based transaction cost	2,883	1,346
	22,245	14,929

5 Directors' fees and emoluments

Directors' fees and emoluments amount to £1,798,756 (2008: £1,759,760) and are comprised as follows:

	2009	2008
	£'000	£'000
N. D. Eckert	575	525
R.L. Sandor	794	810
M.J. Whittell	250	250
P.P. Scales	5	5
K. Gierstner	40	40
L. Magnus	55	50
C. Brookins	45	45
B Williamson	35	35
	1,799	1,760

All the above amounts are Directors' fees except for emoluments and performance bonus payments for executive Directors. The emoluments of £325,000 (2008: £325,000) are payable to N. D. Eckert and £175,000 (2008: £175,000) payable to M. J. Whittell. The performance bonus payments of £250,000 (2008: £200,000) are payable to N.D. Eckert, £75,000 (2008: £75,000) payable to M. J. Whittell and \$243,815 (2008: US\$500,000) payable to Dr R. L. Sandor.

Total fees and emoluments paid by CCX to Dr R. L. Sandor in 2009 were \$1,000,000 (2008: \$1,000,000).

Climate Exchange plc

Notes to the financial statements (continued)
For the year ended 31 December 2009

P. P. Scales receives £5,000 whilst K. Gierstner, L. Magnus, C. Brookins and B. Williamson each receive £35,000 per annum. Members of the committees of the Board receive £5,000 per committee per member, and the Chairman of each Committee receives an additional £5,000 per Committee.

6 Taxation

Consolidated Income Statement

	2009	2008
	£'000	£'000
Current income tax expense	(845)	(114)
Deferred tax (charge)/credit	(638)	695
	<u>(1,483)</u>	<u>581</u>

Consolidated balance sheet

Deferred tax asset	<u>3,955</u>	<u>4,933</u>
Income tax liability	<u><u>838</u></u>	<u><u>-</u></u>

The current year tax expense principally relates to the tax charge on profit in European Climate Exchange Limited and the deferred tax charge relates to the utilisation of tax losses of certain Group companies.

The deferred tax asset in the balance sheet relates to deferred tax which has been provided for in respect of tax losses of certain Group companies.

7 Dividends proposed

As at 31 December 2009 no dividend had been declared or proposed for (2008: £nil).

8 Intangible assets

2009	2008
£'000	£'000

Cost

Balance at 1 January	64,454	47,439
Arising on acquisition of Climate Spot Markets Limited	-	99
Revaluation to foreign currency	(6,286)	17,015
Impairment loss on Climate Spot Markets Limited	-	(99)
Balance at 31 December	58,168	64,454

The goodwill relates to the acquisition of Chicago Climate Exchange, Inc in 2003 and 2006. It is denominated in US\$ and retranslated at each period-end.

Climate Exchange plc**Notes to the financial statements (continued)
For the year ended 31 December 2009****9 Investments**

	2009	2008
	£'000	£'000
Investment in associate	972	1,908

10 Property, plant and equipment

	Equipment	Fixtures and fixings	Total
	£'000	£'000	£'000
Cost			
Balance at 1 January 2008	196	372	568
Foreign exchange translation	102	(5)	97

Additions	68	32	100
On acquisition of subsidiary	41	-	41
Balance at 1 January 2009	407	399	806
Foreign exchange translation	(32)	(12)	(44)
Additions	59	1	60
Balance at 31 December 2009	434	388	822
Depreciation and impairment losses			
Balance at 1 January 2008	127	44	171
Foreign exchange translation	36	1	37
Depreciation for the year	34	106	140
On acquisition of subsidiary	15	-	15
Balance at 1 January 2009	212	151	363
Foreign exchange translation	(19)	(5)	(24)
Depreciation for the year	73	115	188
Balance at 31 December 2009	266	261	527
Carrying amounts			
At 1 January 2008	69	328	397
At 31 December 2008	195	248	443
At 1 January 2009	195	248	443
At 31 December 2009	168	127	295

Climate Exchange plc

Notes to the financial statements (continued)
For the year ended 31 December 2009

11 Trade and other receivables

	2009 £'000	2008 £'000
Trade receivables	3,361	2,125
Other receivables	442	1,197
	3,803	3,322

12 Trade and other payables

	2009 £'000	2008 £'000
Trade payables	454	619
Non-trade payables and accrued expenses	3,364	3,267
	3,818	3,886

13 Share capital and premium

	Number of shares	Share capital £'000	Share premium £'000
<i>Called up, allotted and fully paid</i>			
Ordinary shares of 1p each			
Balance at 1 January 2008	44,856,810	448	67,192
Share issue proceeds	740,189	8	-
Second contingent consideration	1,515,152	15	4,425
Balance at 1 January 2009	47,112,151	471	71,617
Shares issued	450,745	5	-
Cancellation of share premium	-	-	(71,617)
Balance at 31 December 2009	47,562,896	476	-

Authorised share capital consists of 67.5 million (2008: 67.5 million) ordinary shares of 1p each with a total nominal value of £675,000 (2008: £675,000)

On 24 July 2009, the Chancery Division of the High Court of Justice of the Isle of Man approved a reclassification of an amount standing to credit of share premium account to distributable reserves.

The shares issued during 2009 relate to 299,960 shares issued on exercise of employee share options, 142,452 shares issued to Deutsche Bank in connection with the launch of IFEX business and 8,333 shares were issued to green Fund Partners LLC in connection with the CCFE Market Maker Programme. 333,324 warrants to acquire shares in the Company were issued under the agreements for the provision of services performed during 2009. Up to 333,333 further warrants may be issued for such services during 2010.

Climate Exchange plc

Notes to the financial statements (continued) For the year ended 31 December 2009

14 Basic and diluted earnings per share

The basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders of £670,026 (2008: £1,962,539 loss) by weighted average number of shares outstanding during the year being 47,250,879 (2008: 46,024,611).

The calculation of diluted earnings per share at 31 December 2009 was based on the profit attributable to ordinary shareholders of £670,026 and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 50,970,675, calculated as follows:

	2009
Profit attributable to ordinary shareholders (diluted)	
Profit for the period attributable to ordinary shareholders	<u>£670,026</u>
Weighted average number of ordinary shares (diluted)	

Weighted average number of ordinary shares (basic)	47,250,879
Effect of share options in issue	<u>3,719,796</u>
Weighted average number of ordinary shares (diluted)	<u>50,970,675</u>

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding .

There is no difference between basic and diluted loss per share for the year ended 31 December 2008.