



MEDIA RELEASE

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ASX committed to support implementation of Emissions Trading Scheme

The ASX Group (ASX) is committed to support the implementation of an Emissions Trading Scheme (ETS) in 2015 as part of the Clean Energy legislative package approved by the Australian Senate on 8 November 2011.

The introduction of an ETS will provide business with certainty regarding the cost of emitting carbon. It will also enable industry to reduce carbon emission levels at the lowest cost to the Australian economy.

Key to the success of the ETS will be the introduction of secondary and futures markets for carbon permits and any fungible carbon-related products. These markets will generate the short and long-term price signals and risk mitigation required to underpin investment certainty.

ASX has a longstanding interest in providing market support for emissions trading in Australia and anticipates that it will be able to introduce a futures market for carbon prior to the commencement of the ETS to help industry participants manage forward price risk.

ASX is also able to provide facilities for secondary market trading, clearing and settling of the physical permits. ASX is expecting there will be significant demand for efficient, secure and cost-effective risk and permit transfer, combined with the need for transparent price discovery.

ASX has well-developed exchange infrastructure and distribution mechanisms to support an ETS and secondary market trading, and considerable experience operating successful energy and environment derivatives markets. Many likely participants in the forthcoming ETS are already users of ASX infrastructure today, including trading and investment banks, large corporations, electricity generators and retailers, mining and transport companies, and primary producers.

ASX users will also gain operational and capital efficiencies by clearing those products at a single clearing house, ASX Clear (Futures), ASX's futures central counterparty clearing subsidiary. Flexible operating rules will also enable the clearing of over-the-counter (OTC) derivative transactions via block trading facilities.

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