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CEO's Message

It is a great privilege for EMC to have Singapore's Minister for Trade and Industry, Mr Lim Hng Kiang, open this year's Singapore Electricity Roundtable on 12 November. I look forward to this high profile event that will provide attendees with interesting insights and perspectives on the National Electricity Market of Singapore (NEMS), as well as the US market, LNG and cross-border electricity trading. We have already received a great response and are expecting attendees from our market and around the globe.

As the article on page 2 shows, market demand has reached new highs for the daily average and peak demand levels in September.

While relatively stable market conditions are important for the industry, it is also necessary to evolve the market framework to meet future needs. Derivatives trading is one market feature that tends to develop as electricity markets mature. Anticipating this maturation, EMC is beginning to lay the necessary groundwork for electricity derivatives trading in Singapore. To ensure that this initiative is tailored to meet the industry's needs, EMC has established an electricity derivatives trading forum. To learn more about this forum, please see the article on page 3.

I would like to close by congratulating our VP for IT Infrastructure, James Ng, as he has been named a 2007 AsiaSouth Visionary by Symantec Corporation. James and his team

are being recognized with this prestigious award for the significant security, backup and recovery enhancements they have made over the past five years to the NEMS market systems. These enhancements are all part of EMC's efforts to ensure a reliable, secure and efficient trading platform for our market participants. For full details please read the article on page 3.

The Roundtable will be the highlight for November and I look forward to meeting many of you there.

[Signature]
Dave Carlson
Chief Executive Officer

Last Chance to Register for the Singapore Electricity Roundtable 2007

Monday, 12 November 2007
Tuesday, 13 November 2007

We are pleased to announce that the Minister for Trade and Industry, Mr Lim Hng Kiang, will be opening the Singapore Electricity Roundtable 2007. We have secured an exciting line-up of speakers and panellists from the US, South Africa, Australia and Singapore for this year's Roundtable, to be held 12 and 13 November at the Raffles City Convention Centre. Now in its third year, the Roundtable connects influencers, decision makers, experts, and potential investors in the electricity and related industries.

Join us to gain insights and perspectives from various market players in the electricity

industry. Leading practitioners in the industry will discuss topics ranging from the NEMS

to the US market, LNG and cross-border electricity trading.



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Changes to Market Surveillance and Compliance Panel

The EMC Board of Directors appointed Mr Thean Lip Ping to the Market Surveillance and Compliance Panel (MSCP) of the National Electricity Market of Singapore (NEMS) on 15 August 2007.

Mr Thean will take over the Chair of the MSCP from Mr Joseph Grimberg at year-end. Mr Grimberg, a Consultant with legal practice Drew & Napier LLC, has decided to step down from the MSCP after five years as its Chair when his current term of appointment ends on 31 December 2007.

Mr Thean is a consultant in the law firm of KhattarWong. He is a former Judge of Appeal of the Court of Appeal, Supreme Court of Singapore. Since March 2006 he served as a member of the Dispute Resolution and Compensation Panel in the NEMS, a position he relinquished with his appointment to the MSCP. His other appointments include Chairman of the Securities Industry Council, Chairman of the Competition Appeal Board, member of the Accounting and Corporate

Regulatory Authority, Chairman of the Public Accountants Oversight Committee and Director of Singapore Deposit Insurance Corporation Ltd.

Mr Tan Soo Kiang, EMC Chairman, emphasised: "The MSCP is an important governance institution tasked with protecting the integrity of the wholesale electricity market. The EMC Board has therefore been searching for a suitable candidate to take over the chairmanship of the panel. We are pleased that Mr Thean has accepted the appointment. With his judicial background and broad experience, he is eminently qualified to lead the MSCP. Mr Grimberg has been an invaluable asset to the NEMS in the first five years of market operations. Under his sound stewardship, the MSCP's decisions and initiatives are not only highly regarded by the Board and Management of EMC, but also by the market participants of the NEMS."

The MSCP is an independent body established under the Singapore Electricity

Market Rules. Panel members are distinguished individuals in the fields of law, economics and power system operations. The panel monitors activities in the wholesale electricity market of the NEMS and enforces compliance with the Market Rules. It is also responsible for assessing the state of competitiveness and efficiency of Singapore's wholesale electricity market.

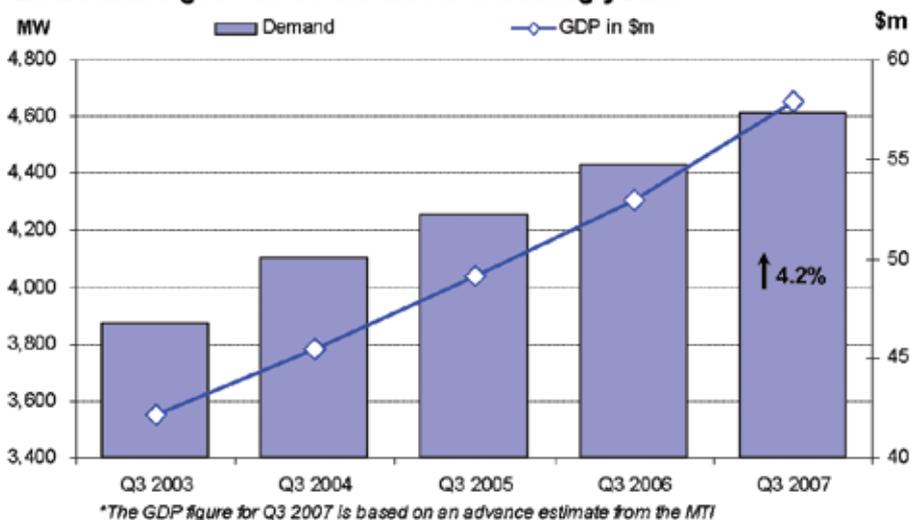
Other current MSCP members are Professor Lim Chin (NUS Business School), Mr Lee Keh Sai (Director and Technical Consultant with K.S. Lee & Associates) and Mr T P B Menon (Consultant with legal practice Wee Swee Teow & Co).

In July Mr David Wong also stepped down from the MSCP after a term of about two years. EMC would like to thank Mr Wong for his contributions and excellent commercial insights. Mr Wong will continue an interest in NEMS through his capacity as a board member of the Energy Market Authority (EMA), the regulator of the market.

Demand grows over 4 percent in Q3 2007

Electricity demand in Singapore continued to exhibit an upward trend in Q3 2007, showing a 4.2 percent increase, as compared to the same period last year. Notably, on 26 September, demand registered a highest daily average level of all time at 4,962MW. Moreover, on 25 September, demand rose to a new record peak level of 5,689MW. This growth in demand was in line with the advance gross domestic product (GDP) estimates for Q3 released by the Ministry of Trade and Industry of Singapore (MTI). Advance estimates showed that real GDP rose by 9.4 percent on a year-on-year basis in Q3, up from 8.7 percent in the previous quarter, with the manufacturing sector estimated to have grown by 12.3 percent in the third quarter, up from 8.3 percent in the previous quarter.

Q3 Demand growth for the last five trading years



Electricity Derivatives Trading

EMC has been studying whether or not current industry conditions are conducive for EMC to establish a marketplace for electricity derivatives trading.

Such a market, if liquid, would provide participants with enhanced access to hedging and trading opportunities. Establishment of a derivatives market also has the potential to stimulate retail competition and to strengthen long-term generation investment signals. Markets for electricity forwards and futures have developed in Europe, North America and Australia in tandem with the maturation of wholesale spot markets.

The EMA's recently published Statement of Opportunities for the Electricity Industry 2007 notes that "there are start-up and running costs associated with establishing an electricity futures market in Singapore and if there were to be insufficient interest in such a market, the market would ultimately fail through lack of liquidity. It would be prudent to allow development of an electricity futures market to be commercially driven."

EMC's studies show that the industry's appetite for trading electricity derivatives is likely to increase over time. In preparation for this increasing interest and to ensure that the necessary foundations are in place to encourage development of a commercially-viable marketplace, EMC has established an electricity derivatives trading forum.

Industry players interested in participating in the forum or in being updated on developments in this area should contact Mr Luke Peacocke at luke.peacocke@emcsg.com.

EMC is recipient of Symantec 2007 Visionary Award

Backup and Recovery Security for NEMS Market Systems

EMC's James Ng, VP of IT Infrastructure, was named 2007 AsiaSouth Visionary by Symantec. This prestigious award is given annually by Symantec Corporation to recognize its customers' innovative use of technology in driving down costs, optimizing operations, securing information and improving customer experience.

James and EMC are being recognized for the significant security, backup and recovery enhancements they have made to the NEMS market systems with the help of Symantec technology. The deployment of the 24x7 security monitoring and alerts for the perimeter defense network was a multi-stage process, which began in 2003. The deployment was accompanied by implementing real-time monitoring alerts for the NEMS market systems and the automated, real-time threat protection solution at all three EMC data centers. EMC has also streamlined data backup, using common backup software across all data centres, for cost-effectiveness and administrative efficiency.

EMC has just completed the proof of concept (PoC) for a security software suite to improve endpoint security and will be implementing the new Symantec software within the next three months. Each of these enhancements are part of EMC's on-going effort to adopt proven technologies to ensure reliable, secure, efficient and robust NEMS' market systems.

Symantec has been recognizing industry leaders from around the world for the past three years. EMC is proud that James' name will now be added to the names of Visionaries, who represent a range of industries including American Express, DHL and Shinhan Bank, among others. Congratulations, James!

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Our distinguished speakers:

- Wong Mui Quee, Director, Energy Market Authority, will provide a regulator's perspective on the first five years of the NEMS and on the roadmap ahead for the Singapore electricity market.
- Philip Harris, former Chairman, President & CEO, PJM, will offer perspectives on the US market from the world's largest system and market operator.
- Andrew Campbell, CEO, Intelligent Energy Systems (IES), will provide perspectives on the National Electricity Market of Singapore.
- Maree Roos, a Consultant from South Africa, will give an overview of how power is wheeled through South Africa, which may serve as a possible future model for cross-border trading in ASEAN.
- Steven Begley, Of Counsel, Lovells Lee & Lee, will debate the challenges and opportunities that LNG will bring for Singapore and Asia.
- Ian Angell, Vice President, Energy Consulting, WoodMackenzie, will join Mr Steven Begley in his debate on the challenges and opportunities that LNG will bring for Singapore and Asia.

Don't miss this year's panel discussion, *Energy sustainability: How will Singapore's energy landscape change over the next 10 years?*, with some of Singapore's leading electricity experts and market players:

- Dallon Kay, Managing Director, Diamond Energy
- Wayne Crean, Marketing & Trading Director, Island Power
- Neil McGregor, Managing Director, PowerSeraya
- Roy Adair, President & CEO, Senoko Power
- Lim Kong Puay, President & CEO, Tuas Power

Seats for the Singapore Electricity Roundtable are limited. Register now so that you don't miss this highlight of the industry's calendar. The brochure and registration form are available on our website: www.emcsg.com/roundtable.



Change to Rule Change Panel

EMC announced on 15 October that Lim Ah Kuan has stepped down as the Market Support Services Licensee's representative on the Rules Change Panel (RCP). The EMC Board has appointed Lawrence Lee to the RCP, effective 1 October 2007. Mr Lee will complete Mr Lim's remaining term through 31 December 2008.

EMC would like to join the industry in thanking Mr Lim for his contributions to the evolution of the wholesale electricity market as a member of the RCP. We also welcome Mr Lee on board and look forward to working with him.

User Forum

Market Information Sharing Forum (MISF)

The bi-monthly MISF forum held on 19 September was well-attended. Market participants were briefed on the overall stability of July and August energy prices. The two stable months were interrupted only by a spike on 28 July, the result of a series of supply disruptions. In addition to the sharing of information on market performance, market share and market outlook, market stakeholders were also updated on the Rules Change Panel work plan. This update provided attending industry players with a better understanding of upcoming rule changes that are likely to take place. The forum ended with a detailed presentation on the re-modeling of the artificial type 1 line. This enhancement was implemented in the Market Clearing Engine on 6 September.

The next MISF is scheduled for Wednesday, 21 November.

Market System User Group (MSUG)

The MSUG conducted on 18 October was attended by close to 20 participants. Besides receiving the regular update on the National Electricity Market of Singapore (NEMS) system's performance over the past two months, participants also had the opportunity to view a prototype of the future NEMS Trading Website. EMC is currently working on the prototype under the scope of the new NEMS Offer Management System and Web Services project.

The briefing on the NEMS market systems roadmap for year 2008 originally scheduled for this MSUG has been postponed and will be held during the next MSUG on Wednesday, 19 December.

EMC Training Programme — Next Course on 15 and 16 November

EMC will be holding its regular two-day training course *Understanding Electricity Markets* on 15 and 16 November. Our staff will be conducting six sessions covering the following topics:

- Understanding Electricity
- Overview of the Electricity Sector
- The NEMS and its Unique Features
- Pricing in Detail
- Settlement
- The Demand Side

Further courses are scheduled for:

21-22 February 2008

15-16 May 2008

We advise you to book early to secure your place in the course of your choice and benefit from our early-bird discount.

Further details on the programme and on how to register are on our website, www.emcsg.com. For enquiries please e-mail trainingprogramme@emcsg.com or contact Ong Pui Sze at +65 6779 3000.

Send us Comments, Feedback or Questions

The EMC Bulletin is written by EMC for you and we are always striving to improve our service. Therefore we are interested in any feedback you might have about specific articles and topics covered or comments and suggestions about other areas you would like to see included.

Please send your comments, feedback or any questions either via e-mail to info@emcsg.com or via fax to +65 6779 3030.

Thank you in advance for your time and effort.