

**Attachment A to the Project Design Document of “Transalloys Manganese Alloy  
Smelter Energy Efficiency Project” –**

**Proof of consideration of CDM**

List of documents in the Attachment:

<b>Document #</b>	<b>Page</b>	<b>Date</b>	<b>Content</b>
1	2	17 July 2003	Email Standard Bank to EcoSecurities – Planning of workshop with Highveld (and others) on 22 July 2003
2	3-4	21-28 July 2003	EcoSecurities / Standard Bank follow-up report after workshop
3	5-7	08 August 2003	Email Highveld to EcoSecurities – Highveld confirming its interest to go ahead with the CDM project
4	8	24 February 2004	Email EcoSecurities to Highveld – Update on collaboration on the CDM project
5	9-10	18 August 2004	Final contract signed for the CDM project between EcoSecurities / Standard Bank and Highveld

-----Original Message-----

From: Cairncross, Lenore L [mailto:CairncroL@scmb.co.za]

Sent: 17 July 2003 14:43

To: 'Belinda Kinhead'

Cc: King, Colin CD (SCMB)

Subject: RE: Draft Itinerary for EcoSecurities Trip to SA

Latest Itinerary:

> Monday 21 July: Morning:       Arrival in SA

11am - Meeting with Danida, Standard's Office Joburg

>

>                   Afternoon:               Discussions at SCMB

>                   14h00-16h00   Briefing of Senior Mgt and Account

> Executives on EcoSecurities JV

SCMB Auditorium (4th

Floor)

> Tuesday 22 July: 10h00 - 12h00 Broad presentation to various clients at

> SCMB

> (Exec Room 7) offices:

>

> Proposed Client List:

> \*       BHP Billiton

> \*       Columbus Steel

> \*       Highveld Steel

> \*       PPC Cement

> \*       Alpha Cement

> \*       Samancor

> \*       Isacor

> \*       Mondi

> \*       Sappi

> \*       AECI

>

> Lunch following presentation with clients.

>

> 2pm - Meeting with Tshwane Municipality, Waste Management Office, 1 Von

> Willigh Street, Pretoria West

>

**EcoSecurities Trip to South Africa 21- 28 July 2003**  
**EcoSecurities / Standard Bank Joint Venture**

**Monday, 21 July 2003**

**Arrival 12h00** Belinda Kinhead      EcoSecurities (Oxford)  
                         Marc Stuart           EcoSecurities (Los Angeles)

**15h30 – 17h00**

[REDACTED]

[REDACTED]

[REDACTED]

**EcoSecurities / Standard Bank Trip to South Africa 21-28 July 2003,  
Meetings and Follow-up**

**Tuesday, 22 July 2003**

**10h00-12h00 Client Meeting Presentation on EcoSecurities /  
Standard Bank Joint Venture**

**Present:**

Lenore Cairncross	Project Finance
Greg Ansermino	Project Finance
Colin King	Investment Banking Solutions
Belinda Kinkead	EcoSecurities
Marc Stuart	EcoSecurities

Client Name	Position	Company
Renee Vermeulen	Commodity Manager, Energy	Iscor
Richard Jennings	Regional Logistics Manager, Energy Coal	Ingwe Collieries Ltd, BHP Billiton
Mike Marler	Specialist: Municipal Infrastructure	DBSA
Cheryl Dushmanitch	Development Planner	DBSA
Sakib Khan	Manager, Business Development	Intelligent Energy
Robbie Jones	Senior General Manager	Alpha Cement
Hannes Meyer	Group Secondary Materials Manager	PPC Cement
Sakkie Leimecke	Senior Project Manager, PPP SBU Projects Division	IDC
Mitch Brandt	Senior Project Manager, PPP SBU Projects Division	IDC
Luigi Matteucci	General Manager, Finance	Highveld Steel
Chris Sturgess	Manager, Alt-X	JSE
Ben Meyer	Manager, Alt-X	JSE

**Follow-up:**

- Alpha Cement [REDACTED]
- Ingwe Collieries, BHP Billiton [REDACTED]
- Iscor [REDACTED]
- PPC Cement [REDACTED]
- Highveld Steel - there may be a number of projects. Marc to follow-up with e-mail.
- IDC [REDACTED]

**14h00-15h30** [REDACTED]

[REDACTED]

-----Original Message-----

**From:** ADM Martie Smit [mailto:Martie@hiveld.co.za]  
**Sent:** Friday, August 08, 2003 7:36 AM  
**To:** 'Marc D. Stuart'  
**Subject:** RE: Follow up from Standard Bank-EcoSecurities CDM meeting

Dear Marc

Thank you for your e-mail. Amazing how quickly time goes by. I found your presentation very interesting and believe that there can be benefits to both Highveld and EcoSecurities.

Highveld would like to progress discussions further to identify projects that could qualify for CO<sub>2</sub> credits. At the same time the steel industry in South Africa is extremely depressed with Highveld's profits dropping by over 80% this year and therefore we would like to carry out the survey without paying any up front costs. Obviously, if there are benefits Highveld would be prepared to share these benefits with EcoSecurities. If the above basis is acceptable, and I hope it is, I would suggest that when you are next in South Africa, you visit Highveld. I will organise that technical people are available to explain the various projects which Highveld has identified at saving electricity or reducing the use of carbon, or both.

Please let me know if this is acceptable to yourself and when you will next be in South Africa.

Regards

LUIGI MATTEUCCI  
Director & General Manager, Finance  
Highveld Steel and Vanadium Corporation Limited  
Tel. +27 (0)13 690 8627  
Fax +27 (0)13 690 9163  
e-mail luigim@hiveld.co.za

-----Original Message-----

**From:** Marc D. Stuart [mailto:marc@ecosecurities.com]  
**Sent:** 06 August 2003 07:08  
**To:** luigim@hiveld.co.za  
**Cc:** Belinda Kinkead; Lenore L Cairncross; Colin CD King (SCMB)  
**Subject:** Follow up from Standard Bank-EcoSecurities CDM meeting

Luigi,

It has been two weeks since we met at the Standard Bank office in Johannesburg to present our joint work on greenhouse gas emissions trading. I hope that you have been well in the interim. We had a very productive week in South Africa following our meetings and came away convinced that there is significant potential for developing high volume, high quality emission projects in South Africa.

At that meeting, we discussed the potential of EcoSecurities and Standard Bank presenting a proposal to Highveld Steel, given your description of a series of operational upgrades in process efficiency that the company is either undertaking or contemplating. We are in the process of developing such a proposal. I thought I would give you a brief description of our main areas of focus so as to get some initial feedback from you;

- We seek to provide an analysis of Highveld's portfolio of South Africa assets to

assess where quality emission reduction projects may be sourced from within your own operations.

- We seek to provide you with a strategic analysis of potential markets for those reductions. Within the body of the analysis will furthermore be a detailed description of process of creating Certified Emission Reductions under the Kyoto Protocol so that Highveld's management can better understand the benefits and risks of engaging this new market.

Our aim would be to rapidly identify an opportunity where emission reductions could help subsidize those operational upgrades. At that point, we would work with you to fully develop and efficiently transact the emissions commodity. We believe that Standard Bank and EcoSecurities collectively offer a unique ability to service major corporates such as yourselves and integrating the emission commodity within project and corporate financial structures.

If this outline basically corresponds with your understanding of our discussion and your perceived needs in the marketplace, we look forward to completing and delivering a proposal for services to you. If you believe that there is already a specific asset that would immediately benefit from our services in developing the carbon commodity, we can adjust accordingly and focus in on that asset, upon receiving from you some basic information about the opportunity.

I look forward to hearing from you.

Marc Stuart  
Director

EcoSecurities Ltd  
Harvard Square, 206 West Bonita  
Claremont, CA 91711 USA  
(t) +1-909-621-1358  
(f) +1-909-621-7438  
marc@ecosecurities.com  
www.ecosecurities.com

cc: Colin King - SCMB  
Lenore Cairncross - SCMB  
Belinda Kinkead - EcoSecurities

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For information about the Standard Bank group visit our web site  
<[www.standardbank.co.za](http://www.standardbank.co.za)>

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HIGHVELD STEEL AND VANADIUM CORPORATION LIMITED

Registration no. 1960/001900/06

DIRECTORS: TE Jones (Chairman and CEO), DD Barber, E Barnardo, L Boyd,  
CB Brayshaw, CJ Colebank, BE Davison, EK Diack, A Harris, L Matteucci,  
Ms DR Motsepe, Dr AJ Pienaar, BJT Shongwe, NB Mbazima (Zambian), M Winstanley (British)

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Bullet 8 - I have proposed to increase [REDACTED]

[REDACTED], in order to balance the risk-reward relationship from our joint perspective (ESL/SBL). This is only approximately [REDACTED] at the current Euro/ZAR exchange rate.

\* whole e-mail - Checked and eliminated the typos - hope u don't mind.

> These are my comments - not sure if you agree with them. Yourself or others may have other views/comments.

> I think it is a good summary of our discussions, and i think it is a good

> idea to attach the standard project development proposal.

> I am happy that you send it to Luigi at Highveld.

> Best regards

> Colin

> > -----Original Message-----

> > From: Marc D. Stuart [mailto:marc@ecosecurities.com]

> > Sent: Tuesday, February 24, 2004 8:46 PM

> > To: King, Colin CD (SCMB)

> > Cc: justin@ecosecurities.com; Walker, Allan; Cairncross, Lenore L;

> > Bertasso, Peter PG

> > Subject: RE: Highveld > Revised SCMB-EcoSecurities Proposal

> > DRAFT TO HIGHVELD - [REDACTED]

> > Dear Luigi,

> > Thank you very much for your continued interest in pursuing a CDM project with EcoSecurities, SCMB and Standard Bank London. Following on the e-mail i sent last wee and your conversation with Colin King, I would like to set out the following basic parameters for collaborating and sharing risks and benefits, as you described:

> > \* It will be up to Highveld to narrow down its potential asset for CDM trading to one candidate. If there are significant internal questions as to the viability of the asset, an alternative project candidate will be proposed as well. Highveld will provide ESL/SB with the appropriate level of information (following the signing of all appropriate non-disclosure agreements) for ESL to be able to review whether Highveld's assumptions regarding project qualification as well as preliminary qualification are accurate.

> > \* [REDACTED]

> > \* Highveld will cover [REDACTED]

> > \* Highveld will be responsible for requisite 3rd party costs for project validation (though EcoSecurities will be responsible for selecting the validator in conjunction with Highveld).

> > \* Highveld will assign at least one senior engineer (part time) to the project to act as the liason to ESL/SCMB on technical questions that may arise in the development of the Methodology, Baseline, Monitoring Protocol, etc.

> > \* [REDACTED]

> > \* Alternatively, Highveld [REDACTED]

> > \* If Highveld does not proceed with financing and implementing the



44  
EcoSec. (H) ✓  
**Standard Bank London Limited**

Cannon Bridge House  
25 Dowgate Hill  
London EC4R 2SB, UK  
Authorised and regulated by the Financial Services Authority  
Tel: +44 20 7815 3022  
Fax: +44 20 7815 4220  
Web site: [www.standardbank.com](http://www.standardbank.com)



**Standard  
Bank**

**EcoSecurities Ltd.**  
Environmental Finance Solutions

21 Beaumont Street  
Oxford OX1 2NH, UK  
Telephone: +44 1865 202 635  
Fax: +44 1865 251 438  
E-mail: [uk@ecosecurities.com](mailto:uk@ecosecurities.com)  
Web site: [www.ecosecurities.com](http://www.ecosecurities.com)

**ECO SECURITIES**

## **EDGE\* Energy Services**

**Developing the Carbon Mitigation  
Potential of Highveld Vanadium and  
Steel's CDM Project  
-Trans-Alloys Energy Efficiency-**

**A Proposal for Highveld Vanadium & Steel**

**August 18th 2004**

**Confidential**

\* Enterprise Dimensions of Greenhouse Gas Emissions

Offices in Oxford, New York,  
Los Angeles, Sydney,  
Rio de Janeiro, The Hague

Registered in England and Wales No. 4141986  
VAT Registration No. 965 5854 73

#### Development of New Methodology

- o [REDACTED]
- o [REDACTED]

#### Carbon Credit Commercialisation:

- o [REDACTED]

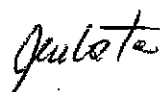
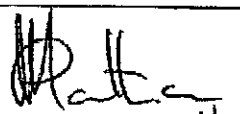
All payments are due within 15 days of presentation of an invoice.

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### 7. Signatures

If you wish to proceed with the work as proposed, please sign the table below and return this sheet as an indication of agreement.

Signed on behalf of EcoSecurities Ltd.:	Signed on behalf of Highveld:
 Name: Pedro Moura Costa Director	 Name: L. Nathecar
Date: 20/12/2004	Date: 23/8/2004.