



**WEATHER MARKET IN ASIA, EUROPE GREW IN 2008-2009
WHILE OVERALL MARKET DECLINED, ACCORDING TO WRMA'S INDUSTRY SURVEY**
Renewables are becoming an important market sector for weather risk management

Miami, FL, JUNE 3, 2009 – Mirroring the downturn in financial markets in general, the weather risk market declined in 2008-2009, according to the Weather Risk Management Association (WRMA). There were several encouraging developments, however. Markets in Asia and Europe showed growth. Hedging activity associated with the growing renewables market -- directly impacted by weather -- is also on the rise.

The total number of contracts – over-the-counter and exchange-traded derivatives and futures contracts -- traded during April 2008-March 2009 was 601,000 contracts compared to 985,000 contracts in 2007-2008. Estimated notional value was \$15-billion in 2008-2009.

The latest survey results were announced by WRMA during its 11th Annual Meeting, “Opportunities for the Next Decade,” held June 1-3, 2009 at The Shore Club in Miami, Florida.

Temperature-related contracts remained the bulk of the trades. Contracts for rain-related weather measures showed significant increases as did activity in other highly structured products.

Although the overall number of contracts has decreased, interest in weather risk management tools remained strong globally with weather contracts trading in North America, Asia, Europe and Australia. In Asia, the number of weather contracts traded rose to 6,837 for the current year, compared to 1,940 in 2007-2008. In Europe, there were 34,068 contracts traded in 2008-2009 compared to the previous year's 25,290. The majority of the trades were on the Chicago Mercantile Exchange.

“The weather risk market continues to become more global,” said Martin Malinow, WRMA president and CEO of Galileo Weather. “WRMA is pleased to see increased interest for weather risk mitigation in Asia, Australia and Europe.”

Not only is the weather market expanding geographically, but the scope of applications is broadening as well. “The rising use of renewable energy – solar, wind and hydro – will spur more interest in employing weather risk management tools,” Malinow said. “Most renewable energy sources are tied to the weather and we’re seeing increased interest from developers, operators and financiers in mitigating their weather exposure by using risk management tools.”

The WRMA survey, which was conducted by PricewaterhouseCoopers LLP (PwC), gathers important data for the industry such as the notional value of the contracts, contract types and regional breakdowns. The survey runs from April 1 through March 31 of the following year, in order to capture the complete winter and summer seasons. WRMA engages PwC to conduct this annual survey to ensure that an independent third party collects and tabulates the data. As the weather market grows globally and in scope, the Association will work to evolve the survey to better capture activity.

About the Weather Risk Management Association

Founded in 1999 by some of the leading companies in the industry, the Weather Risk Management Association (WRMA) is an international trade organization dedicated to promoting the industry, both to those within it and to end-users. The industry began in 1997, offering companies the opportunity to control their financial exposure to weather conditions. As a part of its mission, WRMA initiates surveys of the industry, advocates the standardization of contracts and other documentation used for transactions and sponsors forums and conferences around the world for members to meet and discuss a range of topics, such as international markets, data collection issues, and tax and legal matters.

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